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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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OTTAWA, 1956

HOUSE OF COMMONS

Monday, February 13, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. GARDINER—REFERENCE TO REMARKS IN DEBATE ON FEBRUARY 10

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I rise on a question of privilege. When discussing the cost of the present butter policy on Friday, February 10, I pointed out the plan under which institutions had been allowed a discount of 21 cents a pound may cost $1,500,000. Then I went on to say this:

> The important thing about the matter is we started out to prove to our satisfaction one of two things: Either that people or institutions use more butter when they are getting it cheaper or that they may use more butter and less margarine when they get it—

Meaning butter.

> —cheaper. The statistics do not indicate that they have done so in this case. They are using just about the same proportion of butter—maybe a little bit more in some places and a little bit less in others—at 40 cents a pound as they used previously at 61 cents and they are using about the same amount of margarine now as they used previously.

At this point the hon. member for Quebec West (Mr. Dufresne) asked a question:

> Mr. Dufresne: Has the minister the figures for each province?
> Mr. Gardiner: Yes.
> Mr. Dufresne: Can he say whether, in the province of Quebec, this arrangement of giving butter to institutions at 40 cents a pound has increased the consumption of butter?

The effective part of my answer was as follows:

> As of March 4 . . . in Quebec the number of institutions there was 236 . . . They used 154,000 pounds of butter that month . . . 6,000 pounds of margarine. Then they had other fats, neither margarine nor butter, amounting to 53,000 pounds.

I stated that for the last month:

> . . . there are 777 institutions in Quebec now which is about three times as many, and in the last month they used 297,000 pounds of butter, 13,591 pounds of margarine and 103,146 pounds of other fats.

About an hour later, following my address, the hon. member for Vancouver South (Mr. Philpott) said, as recorded at page 1064 of *Hansard* for February 10, 1956:

> Could I ask one question about the figures for margarine in Quebec? Some of us were under the impression that the sale of margarine in Quebec was illegal.

I did not answer, but as soon as I could leave the house I attempted to get full information to give to the members, but because the staff had gone I was unable to receive full information. I, therefore, interviewed the *Hansard* editor who informed me the report had already gone to the press. He suggested I should see the Speaker, which I did. I suggested that I be permitted to withhold a small part of the information used in answering the question. I suggested this would necessitate my stating to the members full information regarding the matter, and stated I would make a complete statement to the house when the house opened on Monday. That is what I intend to do at the moment.

I understand the Speaker complied with my suggestion and arranged to have the statistics relating to Quebec and margarine left out of Friday's *Hansard* on the understanding I would replace them on Monday with full particulars.

I saw the Canadian Press and was told that the report had already gone out to the Toronto office. It was suggested later that I might make a statement which would be published along with any report which they put out. I have read the Canadian Press report as it appeared on Saturday morning in the Montreal *Gazette*. In it is a statement which I made to the reporter who saw me in the dining room while I was eating dinner. I stated this to him: "I just read the answer from a record that was placed in my hands, and I would not like it to be considered authentic until I have an opportunity of checking it." They put that in their report, just as I said it, and used the reference to it in the lead to the article. Then, they went on to cover what happened in the house in connection with it.

At this point, I want to thank the Canadian Press for the manner in which they dealt with the whole matter, and the way it was reported, particularly in the only paper in which I read the report. It was probably in all the papers that they supply with reports in much the same language, but they gave a perfectly correct report of what I had said to them and what I said in the house. They added something of their own, which I presume they got in Quebec. They added a statement which was not mine, and I assume

therefore they took the trouble to find out what the facts were. The last sentence of the article is this:

> Quebec law prohibits manufacture and sale of spreads manufactured from vegetable oils. It does not apply to spreads made from animal or fish oils or fats.

Well, that does correspond with the facts as we know them, but I have no comment to make upon that; that was not my suggestion when the article was written.

I have checked the records and wish to put the following statement on *Hansard*. After the plan to provide butter at a price reduced by 21 cents a pound to institutions was first set up on January 20, 1955 and an institution made application to be supplied at the reduced price, a printed form was sent to that institution asking for, first, the quantity of butter used monthly—that was, used monthly before they made the application—the quantity of margarine used monthly, again before they made the application, and the quantity of other fats used monthly before they made the application. Then, there are two lines left for remarks at the end of that. I have no record of any remarks that were made; but the record for the last month before the officials of each institution made application shown in the statistics from which I quoted the amount of butter, margarine and other fats used in Quebec at the time the institution first came under the plan.

I should say at this point there is no difference between the province of Quebec and any other province in that regard. Exactly the same forms went to all the provinces, and the returns came in from those provinces, giving the position which existed when the institution came under the plan. From the time the institution came under the plan the record of butter used is the actual amount for which we made the 21 cents deduction. Hon. members will see that there is no difficulty about that because month by month we had to pay 21 cents a pound on all the butter that was used by the institutions, so we make our own records with regard to that. It is not necessary to get the facts from the institutions.

The total of the number of institutions and the amounts of margarine and other fats for the province of Quebec are listed on the first return on the file, which would be at the beginning of February of 1955: Number of institutions, 199; butter, 133,166 pounds; margarine, 5,408 pounds; and other fats, 46,680 pounds.

Then, as new institutions came under the plan the amount of margarine and other fats they were using at the time they came in was added to the total of those already in. That is the figure which is shown for each succeeding month. I should like to point out that does not mean that those institutions are still using margarine in any quantity; it does not mean that after they came into the plan they used margarine, and we have no record as to what they did do after they came under the plan. It only indicates that before they came under the plan at all they were using margarine in some form. Again, I would remind hon. members of the distinction made in the *Gazette* report as to the two different types of margarine. Their contention is that margarine which is made from anything other than vegetable oils is not illegal in the province of Quebec. That is something that will have to be determined by others. I am not offering an opinion on it.

The last statement which I had on my desk when the quotation was asked for was that of January 27, 1956, and it reads as follows: Institutions, 777; butter, 297,313 pounds; margarine, 13,591 pounds. Again I repeat, that does not mean that those institutions are using that much margarine or any margarine since they came under the plan. That is the total amount that was used by all institutions before they came under the plan from February 1 last year down to January 27 this year.

I now have a report for February 10, 1956, which is two weeks later, which illustrates the practice followed. It shows: institutions, 788; butter, 299,135 pounds; margarine, 13,666 pounds; other fats, 103,346 pounds.

This shows that in the two weeks preceding that report there were 11 new institutions came in. The increase in the report with respect to margarine is 75 pounds and the increase in the report with respect to other fats is 200 pounds. This record does not show what they continued to use after they came in. It is only a record of what they were using, and the record of each new institution is added to the records of all other institutions previously recorded to give the total figure.

Our record shows that in all institutions in Quebec there were 1,822 more pounds of butter used in the two weeks ending February 10, 1956 than in the week ending January 27, 1956. As a matter of fact, that was the question asked me by the hon. member for Quebec West. He wanted to know what was the difference with respect to butter. That is the question as it appears in *Hansard*. The records have been given the same way in all provinces. It will therefore be necessary to obtain further information from all institutions before being able to determine the

answer as to exactly what the effect of the application of the plan has been on the consumption of butter.

I only say that because in my speech the other day it will be found that I said, when discussing the matter here, that one of our objectives was to find that out, and these records which I am reviewing now do not make it possible to find that out. I do not know whether members are interested in hearing the law as it is in Quebec. I have the sections of the act here. It is probably not necessary to read them to the house. Maybe I should read them. I think it would be just as well to read them. It is not our law, it is the law of the province of Quebec, and it is not our responsibility to enforce the law.

Mr. Coldwell: Mr. Speaker, may I remind the Minister of Agriculture that neither the figures he gave last Friday nor the law of Quebec are in question in the house at the present time.

Mr. Gardiner: They may not be in question in the house—

Mr. Coldwell: Or in the country.

Mr. Gardiner: —But I gave an absolute undertaking both to the Speaker and to the press that I would give the figures today and give an explanation of what they mean.

An hon. Member: Why?

Mr. Gardiner: Of course, if no one wants to have the right information—

Mr. Speaker: Order. If I may comment at this time, the minister is quite right in raising a question of privilege in order to deal with the particular matter at issue, namely the alteration of *Hansard*. I was waiting to see if hon. members would raise a point with respect to the additional matter the minister has been dealing with in the last few minutes. If the point is raised at this moment the minister should not go any further than necessary in order to explain his question of privilege. Whatever else has to be done with respect to the matter of butter and margarine will have to be dealt with when we resume the discussion in committee of supply.

Mr. Gardiner: That is quite all right. That is why I asked the question whether the house wanted to hear it, and that is the answer. Finally, all I have to say is that the government has nothing to do with the distribution of margarine, spreads or other fats in the province of Quebec and only seeks information there as well as in other provinces for the purpose of being able to determine whether the policy is having any effect upon the consumption of butter, and, if so, how much. There is nothing in our records to indicate anything being done by any institutions in Quebec or elsewhere which is illegal, nothing whatsoever.

Mr. Speaker: As another person who is involved in the circumstances surrounding this case I should make my position clear. The right hon. Minister of Agriculture (Mr. Gardiner) came to me last Friday a few minutes prior to six o'clock with respect to an alteration which he wanted to have made in *Hansard*. As hon. members know, at that moment I had as guests in my chamber two members of parliament from New Zealand whom several hon. members had met between five and six o'clock.

When the minister came to me I understood, and I am sure the minister, who has not perhaps put the emphasis on that particular phase of our conversation but rather on the other, which is the inference that whatever he had said might have indicated that the institutions in Quebec were violating the law. I want to say that I was not so much concerned with that, because having said that, that was not the main reason I thought his request was reasonable.

He was dealing with figures and in front of the two guests who were there he indicated that there was very little time left and for the purpose of accuracy certain figures had to be changed and others taken out of the record. I took it as a minor essential alteration; that is the way it struck me. We were in committee of supply where more latitude is allowed than when the Speaker is in the chair for the revision of questions asked and answers given.

I want to say too that I was further impressed, although that was not the motive of my decision, by the fact that something had been said which might create considerable implications with respect to institutions in my province. As I say, that was not the main reason why I made the decision. I thought I was perfectly within what I considered to be the guiding rule with respect to alterations made in *Hansard*, and I shall deal with this later.

There is another thing which was in my mind. These were the very last minutes before six o'clock on Friday and I was fortified by the fact that if by any chance I was erring the possibility of redressing the situation could always be found. The daily edition of *Hansard* is the unrevised edition. We all know that within eight days from the moment speeches are made there is a revised edition prepared. Therefore we can always check whatever has been said and reinsert whatever has been taken out if it

is considered by the house that what has been taken out should not have been taken out.

I want hon. members to realize this position. In the first place, what is *Hansard*? Hon. members think it is the official report of debates, and so it is. But in what sense is it the official report of debates? I want to say this to hon. members for their consideration because now that I have an opportunity to deal with this matter I should like to deal with it as thoroughly as I can.

The editor of *Hansard* and myself, and I presume the Clerk, are in a difficult position because of a custom which has been established over the years of members going to the *Hansard* office to revise their typescript. Some make very few revisions but others make numerous revisions and it is sometimes difficult for the editor and myself to decide just where we should stop in accepting revisions that are being made.

According to the Speaker of the House of Commons of the United Kingdom, *Hansard* is a report as accurate as possible of the debates, but it is official only in the sense that it is published, not by an outside contractor but by persons who are employees of the House of Commons. I find the Speaker's remarks in *Parliamentary Affairs*, page 218, volume 2, 1948-49. In reply to a question in which a member was talking about an amendment which had not been referred to in *Hansard*, Mr. Speaker said:

> I can assure the right hon. and gallant gentleman that the mere fact that he has raised that point will automatically put the matter right. I think the right hon. and gallant gentleman said that it was a mistake in the official report. *Hansard* is not an official report. It is, I hope, as accurate an account of our proceedings as possible. The official report is one which it is my duty, the house remembers, by resolution passed at the beginning of every session, to peruse daily. I did peruse the official report, which is the accurate one, and it says "Another amendment made", which is the correct wording. Therefore, officially the amendment is correct and in order, and I hope that what I have said, and what the right hon. and gallant gentleman has said, will ensure that the matter is put right in *Hansard*.

In other words, there is a distinction between *Hansard* and *Votes and Proceedings*. *Votes and Proceedings* is the only volume that is official in the sense that evidence of it has to be accepted by the courts. Now, if hon. members will permit me, I want to ask, what is the authority of the Speaker with respect to *Hansard*? Some may think that, because there is a standing committee which is appointed at the beginning of every session, the standing committee is the one that should be the supreme authority with respect to anything that goes into *Hansard*. I wish to submit that it is not exactly so.

[Mr. Speaker.]

In the first place, the standing committee is not an administrative body and does not deal with anything unless something is referred to it by the house. As a matter of fact, once our standing committees are appointed there is always a motion that follows to indicate that they be empowered to do such and such, namely to deal with anything that may be referred to them from time to time. Hon. members will find that in their *Votes and Proceedings* at the beginning of every session.

Therefore, the standing committee on debates does not deal with current matters such as the one with which we are concerned at the moment. The position here is similar to that in the United Kingdom, and it is as follows. I quote from *Parliamentary Affairs*, volume 5, 1951-52, which states the position in the United Kingdom:

> The official report began in 1909 and the committee, whose terms of reference were extended to enable them "to assist Mr. Speaker" in the arrangements for it, became the "Pub. and Deb." which still exists to this day. "Assistance" is the most they can give, as responsibility for the production of the official report rests solely upon the Speaker.

In our own house, the situation is the same, because we had sessional committees until 1906, and on July 10, 1906, the committee on debates was made a standing committee. As I said a moment ago, it is not an administrative committee; it is one which is not called upon to sit unless some matters are referred to it by the house.

Having stated what my responsibility is in the matter, I should like to tell hon. members as briefly as I can what I consider to be the guiding principles which I think the editor of debates should follow in accepting revisions which are suggested, and the guiding principles which I follow myself.

I wish to interject here that during the last recess I had a long conversation with the associate editor of debates, and we talked about this problem of hon. members revising the transcripts of their notes. "I pointed out to him that he would receive my full co-operation in trying to maintain as closely as possible the original text as the speeches were pronounced in this house and to accept revisions only when they were minor alterations or when they were merely corrections for the purpose of improving the vocabulary or correcting grammatical errors."

I told him that I had looked at the authorities in the United Kingdom, that they were specific on the point, and that I thought it would be the wish of our house that the same rules that exist over there should exist here.

What are those rules? I have here a little volume entitled "Our Hansard" which is published by Mr. William Law. In it I find this:

A third revision—

He is talking about the revisions by members that have taken place in the House of Commons in the United Kingdom.

—is given to some of the speeches. A few members of parliament come up to the sub-editors' room and look through the transcripts. They have no right to do so, but the practice of allowing members to make corrections has its beneficial side, and has been allowed to grow up because it can contribute to the accuracy of the report. The member is not allowed to make alterations in meaning unless it can be shown that the reporter has misunderstood him and he is not permitted to read the speeches made by other members. Control of this practice, under the editor, of course, is in the hands of the assistant editor, who has the power, but seldom needs to use it, to erase what a member has written. He, with his sub-editors, is thus not only the corrector but the protector of the report. It is under his authority that the transcripts are finally passed for publication.

Speakers of the house have twice been asked to give a ruling on the practice of allowing members to alter their transcripts, and they have made it clear that the limits within which the member acts are very narrow. This is the official report of the questions put to Mr. Speaker Lowther on 6th April, 1914, and of his answers:

"Mr. Ronald McNeil: I desire to ask you, Mr. Speaker, a question relating to a matter of procedure—whether you would be good enough to inform the house, for the guidance of hon. members, whether there are any restrictions on the right of members to correct the official report of speeches delivered by them in the house and in particular whether there is any unwritten rule or honourable understanding that corrections should be limited to verbal errors, and that members may not, by the insertion of words or phrases, effect material changes in the meaning of that which they actually said in the house?

Mr. Speaker: I have consulted the editor of the official report on this matter, and he tells me that, although hon. members make corrections, he revises those corrections, and it does not follow that because an hon. member makes a correction in the proof that that correction is always accepted. I asked the editor on what principles he went, and he said that the chief principle which guided him was to obtain an absolutely correct report of what was said . . .

He is very careful not to allow any corrections which would in any way alter the general sense of the speech made, but that he does accept corrections, for instance, of faults of grammar, split infinitives, redundancies, or incorrect dates, and I have told the editor that in my opinion he is in that way acting quite correctly."

Then later on Sir William Byles asked a question:

Sir William Byles: May I ask you whether it has not long been the practice of hon. members to make slight verbal alterations in the proof which reaches them in order to make their meaning more precise and accurate?

Mr. Speaker: That might be their habit, but it rests with the editor of the official report to consider whether that amendment or alteration does materially affect the sense.

Mr. Whyte: Is it not the case that, owing to the difficulty of reporting hon. members, who usually speak in the direction away from you, the report taken of speeches in this house often omits very material sentences, and therefore, sir, it may often happen that in an important debate phrases or words are omitted or inserted which did not actually leave the lips of the speaker?

Mr. Speaker: That is so, and I have had complaints from the reporters that when hon. members, and I am sorry to add, right hon. members, turn their backs on the chair and address the benches below the gangway, it is very often very difficult to catch exactly what is said. I have given instructions in cases of that kind that it is the duty of the reporter to leave a blank if he is not able to take down the next words, and to ascertain from other sources what was said, and fill up the blank in that way.

Later on in 1944 Mr. Speaker Clifton Brown was called upon to rule upon the same subject and he reiterated the ruling made by Mr. Speaker Lowther in 1914.

That therefore is the situation in the United Kingdom and those are the rules which I think should apply in our own house. I am fortified in that view by another fact. In 1948 the standing committee on debates held meetings. I think it is the last time the standing committee on debates held meetings. Prior to that date there was a meeting I think in 1932 or 1933 and some in 1924 or 1925. But in 1948, as appears at page 490 of the *Journals* of 1947-48, I read in the report which was concurred in by the house the following, being paragraph 4:

That the pages of the daily edition be kept intact so that, after permissible corrections are made, the pages of the daily edition can be used for the bound edition as originally printed, and that—

And I draw your attention to this portion:

—changes suggested by members be confined strictly to correction of errors and essential minor alterations.

To me these are the guiding rules with respect to the execution of our duties; I refer to the duties of the editor of debates, myself, the Clerk or anyone else who may have anything to do with the matter in this house.

Some hon. members may say, "If those are your views, you are far away from having observed them in dealing with the point that is now before us". I will agree that is so. The only excuse I have, if any, is this. Whereas of late hon. members have been, so far as I can ascertain, perhaps more particular than ever with respect to any changes which might be made in *Hansard*, it looks as though even in the United Kingdom, when it comes to figures, quotation or statistics, about which one may have doubt, and especially when the house is sitting in committee and not with the Speaker in the chair, more latitude has been given. Indeed, in 1924 I find that the house even considered the possibility of

eliminating *Hansard* in committee and reporting only speeches made when the Speaker was in the chair. In the order of reference of the committee on debates which studied the matter—and this is found at page 504 in 1924—one question before it was this:

> 2. Whether it is desirable, in the interests of economy of time, labour and expense, that the report of the debates in *Hansard* should be limited to set speeches as may be delivered when Mr. Speaker is in the chair, with or without a brief report of proceedings in committee.

On the other hand, in the United Kingdom when the house sits late at night whereas they do not allow members to go upstairs to correct their speeches, they will allow this, and it is a suggestion reported in the *Journal of the Society of Clerks at the Table in Empire Parliaments* for 1947, page 38, volume 16:

> It is suggested that in the case of these later speeches members should not seek to do any revision later than 10.30 p.m., except on special points of difficulty or doubt, involving names, figures, or quotations.

As I said before, if we had been in different circumstances than those which prevailed just a few minutes before six o'clock on Friday night, the matter would have been dealt with in the house.

I believe that from now on it should be made certain, and I think the house will agree with me, that the editor of debates should, if these rulings I have quoted constitute a proper authority for the manner in which hon. members want to have their *Hansard* protected, be guided by those rulings without any reference whatever to anybody else. If an alteration is to be made in our debates, the matter should be dealt with on the floor of the house. This matter of the Speaker or the Clerk or anyone else having to do with this editing of debates, and being called upon to judge what may be taken out or put in, is putting those persons in the position of being censors. There is always the chance—as a matter of fact I would say it would be an illusion to think that if any material changes are made to *Hansard* they will not be picked up.

As hon. members know, the transcript of speeches made in this house is issued to the press gallery about 20 minutes after the take is reported. Members can always have access to the editor's room to check the speeches that are being made. There are all those hon. members who were in the house at the time the speech was made, most of whom have very good memories and can recall what was said. We cannot therefore eliminate something from *Hansard* without there being a chance that some repercussions will take place. I think the minister himself did know that, and I certainly knew it. At the time I conceded to what I thought was a reasonable request by the minister, based on the fact he was in committee of supply and was dealing with figures. Under the circumstances, they appeared to be minor alterations such as would be allowed according to the guiding rule recommended by the committee on debates in 1948 and concurred in by the house.

What are we going to do in the present circumstances? We are in the full house, and we are exercising our powers. I think, myself, that the words that have been omitted, now that they have been repeated in the statement made by the minister, should be reinserted in the revised edition where they should have been all along. It is a matter which is now of public concern, and I would suggest that the words eliminated be reinstated. They are not so considerable as some hon. members may think. I have the typescript here, and the omissions consist of two phrases in the reply made by the minister to the hon. member for Quebec West (Mr. Dufresne). There is one where it says, "They used only 6,000 pounds of margarine. Then they had other fats, neither margarine nor butter, amounting to 53,000 pounds." Then, later, the figures omitted were, "13,591 pounds of margarine and 103,146 pounds of other fats." Those are the words that have been omitted.

My ruling at this point would be—

Mr. Drew: I trust there will be no ruling until you have heard the views of hon. members.

Mr. Speaker: The Leader of the Opposition (Mr. Drew) has just said, "I hope there will be no ruling until you have heard from hon. members." I do not know exactly what the Leader of the Opposition has in mind, but the editing of the debates is in the hands of an employee of the house who is under the authority of the Speaker. If advice is required, he seeks it from the officials, that is the ones who are above him, and in this case that is what he has done. The Speaker takes full responsibility for what he has done and at the first opportunity submits what he has done to the house.

Now, I did indicate why I took the action that I did. It is because I have doubts that I propose to redress the situation by suggesting that the words omitted be reinserted.

I would tell the Leader of the Opposition that I could even go a step farther and at this moment I could submit my conduct to the house and ask for the yeas and nays.

Mr. Drew: May I, in deference, submit to you that before you do anything that purports

to be in the way of a binding decision, you permit hon. members to make comments in regard to the situation?

Mr. Speaker: Would the Leader of the Opposition proceed now?

Hon. George A. Drew (Leader of the Opposition): Yes. The reason I suggested that this matter be discussed before anything in the nature of a ruling be made is that, if a ruling were made, then there would be no further debate, and one of the most important subjects to come before the house would therefore be ruled out of debate.

I submit, Mr. Speaker, that this subject has not in any way been changed by what has been said. I am, in fact, rising on a point of privilege and I will proceed, if Your Honour believes that it is appropriate that I should proceed, on that basis. But I had hoped I might be permitted to do so before any ruling would be made which purported to dispose of the question of privilege raised by the Minister of Agriculture, and then not dealt with. All he did was to indicate what he thought he should have said on Friday. He neither apologized for the course he has followed, nor did he seek to have redress made for the very improper procedure that was adopted.

Now, Your Honour has mentioned two deletions and suggested that these are minor essential alterations. I submit that they go a great deal further than that. The first of these deletions appeared in the second last paragraph of the second column of page 1056, following the figure "155,000". Your Honour has already read them, but so that they may be in context I would repeat the words. "They used only 6,000 pounds of margarine. Then they had other fats, neither margarine nor butter, amounting to 53,000 pounds". The second deletion appeared in the fifth last line of the last paragraph in column two at page 1056, following the word, "butter". In that case, after the word "butter" and a comma, this appears, "13,591 pounds of margarine and 103,146 pounds of other fats."

And now, Mr. Speaker, this was part of a statement dealing with the broad question of the impact of the use of margarine on the use of butter under certain circumstances. If one reads the pages that follow, one will find that this fits into the context of general remarks, and one also finds what the result would be of a procedure of this kind because the hon. member for Vancouver South (Mr. Philpott) is left up in the air so far as *Hansard* is concerned. He is left in the position of having asked a question at page 1064, which does not relate to anything that was said. Nothing could better illustrate that this is not a question of minor alterations. It changes the whole context of the debate. If this can happen, then *Hansard* for practical purposes becomes a very ineffective record of the debates in this house.

Then, Mr. Speaker, I submit there are well-established rules in regard to the printing, in regard to the amendments, in regard to the nature of corrections which go much farther than those that have been suggested. There are long-established rules governing how corrections are to be made. Certain changes can be made by the member speaking. On the back page of each daily edition of what we describe as *Hansard* appear the words:

> Official report of debates.

No refinement of argument changes the fact that this is regarded as the official report of debates; whether sitting with the Speaker in the chair or in committee, these are the reports and the only reports of the debates that take place in the House of Commons. There need be no precedents read to establish what is permitted, because on the back page of *Hansard* there is printed each day, and it has been printed there for a long time, the following:

> Following publication of the daily edition, proofs of their speeches or remarks are sent to members. These must be returned to the debates office within eight calendar days of the date on which the speech was made. Suggested changes must be confined to correction of errors and essential minor alterations.

The errors are not errors of the speaker, Mr. Speaker. The errors referred to there are the errors in *Hansard*. There is a procedure by which errors on the part of the speaker can be corrected, and that is adopted day after day here. Hon. members rise and say: "I seek leave to have *Hansard* corrected by inserting the following, or substituting certain words in place of words already appearing." There is no doubt about what that means. The correction of errors is the correction of errors made by *Hansard* in the reporting.

Fortunately, and as a great tribute to *Hansard*, those are very few indeed. Essential minor alterations mean something that does not affect the context. As a matter of fact it does not in any way change the meaning of what was said. It simply clarifies in some way the statement that was made, and that of course applies to the corrections that are to be made within eight days.

I want to submit, Mr. Speaker—and this is particularly the reason for the suggestion that no ruling be made before hon. members had an opportunity to make certain observations in regard to this subject—when it comes to making changes in the official report there is a clearly defined way of doing it.

It cannot be done by any member of the house on his own initiative, as was done in this case. What is more, Mr. Speaker, I submit in deference that it cannot be done by the Speaker except under the authority of the house. It can only be done by the authority of this House of Commons, which is the supreme authority in matters of this kind.

There are plenty of precedents in regard to this. On April 7, 1933, the then member for Temiscouata, whom most of us remember very well, objected to a certain word used by a member about him in debate, and Mr. Speaker said at page 3804 of revised *Hansard*:

> If the hon. member for Temiscouata believes that the word referred to him, I will direct that it be expunged from *Hansard*.

I would like to point out what happened on that occasion.

Mr. Speaker: Order. Will the hon. member be good enough to give me the date of the incident?

Mr. Drew: April 7, 1933. The then leader of the opposition, Right Hon. Mackenzie King, made the following statement, which appears at page 3805 of *Hansard* I just referred to, and I quote his words:

> Mr. Speaker, I do not wish to take exception to what Your Honour may have done in the way of expunging possible objectionable phrases from *Hansard*, but I would ask if it is not part of the privilege of the house to control its own records, and whether the house should not, before any statements are expunged from the records, pass a resolution in the first instance. I raise this point now because Your Honour has made decisions which equally affect members on both sides of the house. I did not wish to take exception to anything done in the past but I respectfully submit so far as the privileges of the house are concerned that His Honour the Speaker is the servant of the house in this as in all matters, and the house should itself determine whether anything is to be expunged from any of its records.

That was the statement of Mr. Mackenzie King, the leader of the opposition at that time. The Speaker then made this reply, as reported immediately afterwards on the page of *Hansard* I have referred to:

> I will take the remarks of the right honourable gentleman under consideration.

Then, having given the matter the appropriate consideration, Mr. Speaker Black, on April 10, gave his ruling as follows, as reported at page 3855 of *Hansard*. I submit that this has stood unchallenged as the appropriate statement in regard to matters of this kind. I quote:

> On Friday, April 7, the right hon. the leader of the opposition raised the point that the house having control of its own records, the house should, before any statements are expunged from the official report of the debates, pass a resolution to that effect, and he submitted that the Speaker being the servant of the house in this, as in all matters, the house itself should determine whether anything is to be deleted from any of its records.
>
> In the case in point, the first opportunity I had of fully understanding the words complained of was when I saw the official report, and since I should have ruled them out when they were uttered I consider I was justified in ruling them out from the chair as soon as the house sat again. I agree that in dealing with *Hansard* the Speaker's authority is subject to the approval of the house.
>
> Instructions for any alteration in the official report of the debates should not be given without communicating them to the house in session, and for this reason, whenever I have deemed it advisable to direct that certain statements be expunged, I have done so from the chair, thus giving a ruling which, under standing order 12, is subject to an appeal to the house.

Now, Mr. Speaker, the situation here is one in which the minister could have apologized to the house, as he should have done.

Mr. Gardiner: I am quite prepared to do that when you sit down.

Mr. Drew: At least, Mr. Speaker, we have a grain of encouragement to say that the debate has brought this conviction to the mind of the Minister of Agriculture, and we welcome it. But it goes much farther than that. This subject is not one where figures or quotations were in doubt. This is not a case of a minor change. This is a case of tearing *Hansard* apart. This is a case of changing the whole context after that part of the debate, and in relation to statements which could have been corrected at a subsequent time by the proper procedure.

Now, if it were possible for *Hansard* to be changed in this way its effectiveness would be completely destroyed. No matter what we may argue as to the degree of official authority that is to be interpreted as applying to these records, the fact remains that they are described as the official report of debates and they are the only official reports we have. The whole context must remain in its proper form if we are in fact to have an understanding of what took place.

It must be remembered that in the proper course of their duties many hon. members may not be present in the house on a particular day. It is not only the members of the government who have legitimate reasons for being out of the house on many occasions. As every hon. member knows, many committees sit while the house is sitting and members are outside of the house. Unless the record conforms to the meaning and intent of the debate itself, hon. members who were doing their proper business as members of the house on committees or otherwise are denied the opportunity of knowing what took place here.

It is of vital importance that the integrity of the debates be fully protected, and I submit, Mr. Speaker, that this matter should not be left where it is. I submit with deference that circumstances have arisen which make it appropriate that this should go before the standing committee on debates for inquiry as to the procedure which has taken place and what actually did take place in this instance. Perhaps the Speaker could inform us whether *Hansard* had already refused to make the changes when requested by the Minister of Agriculture. If it did we should know that, because in that case it was no minor alteration but an alteration which *Hansard* had already refused to make when it was requested by the Minister of Agriculture.

Mr. Speaker: May I deal with the point raised by the Leader of the Opposition. In line with the conversation I had with the editor of debates during the last recess he did refuse to alter the words and that is why he submitted the matter to me. That is why the Minister of Agriculture came to my office to see me. I communicated with the editor of debates this morning again and I said: "In your opinion was it such a material change in view of the fact that figures were involved and the house was in committee of supply?" He did tell me that he did not think it was such a considerable change but in the light of the conversation we had during the recess it was the type of change which he felt he should refer to me.

As I told hon. members before, I would not have dealt with this matter in any shape or form had it not been for the fact that I thought it was merely a minor essential alteration and having regard to the fact that the house was in committee of supply, the accuracy of figures was under consideration and, as I say, I was impressed by the circumstances that there was an inference there about institutions being guilty of something which had been indicated in the house.

The Leader of the Opposition will permit me to tell him and the house that so far as the editors of debates are concerned they are not responsible for one second for anything that has happened. As a matter of fact, I pay them a tribute for their integrity, their independence, their conscientiousness and their impartiality. I will say further that if there is one man who is responsible for this it is not the Minister of Agriculture but the Speaker of the House of Commons.

Some hon. Members: No.

Mr. Speaker: Oh, yes, I am.

Mr. Knowles: Under pressure.

Mr. Speaker: Oh well, pressure—it all depends what you mean by pressure. The Minister of Agriculture did not insist that I do it—

An hon. Member: Oh, no?

Mr. Speaker: —but the circumstances were such as I explained a moment ago. Hon. members know that between five and six o'clock I had as my guests two parliamentarians from New Zealand and it happened that several members were in my office while they were there. They were just about to take their leave when the minister came in. As a matter of fact, I thought he was coming in to meet the two parliamentarians in question and I was very pleased to introduce him to them. But in the course of the conversation, and it was just a few minutes before six o'clock, I took it that the editor upstairs had perhaps been overzealous and was questioning the fact that the minister wanted to alter some figures for purposes of accuracy.

I take the responsibility and I am prepared to stand before the house. I will say, having reviewed the matter again during the week end, that I realized, as I said, that if I had had a few hours to look into the matter I would not have dealt with it in the manner in which I did. I confess I made a mistake and I do apologize to the house. In order to put the thing straight I suggest that the words be reinserted just as if nothing had happened, and I am prepared to submit myself to a vote of the house.

Mr. Drew: Mr. Speaker, we are dealing with a procedure, and I have already quoted what is the recognized authority for a similar procedure. In the first place may I, with deference, suggest to Your Honour that the Minister of Agriculture must accept full responsibility for having initiated the proceedings which led to this unfortunate result. One of the things that must be recognized is that when we discuss procedure here and seek appropriate changes it is not a reflection on the Speaker which should call for any suggestion that he submit himself to the house. It is a suggestion in regard to statements which have already been put forward and which, in the minds of many hon. members, do not suggest a satisfactory procedure.

In the quotations that Your Honour made I submit there was appropriate emphasis placed on rules that should be observed. One is that there cannot be a change unless it is shown that the reporter misunderstood the hon. member who was speaking. No such situation occurred here. Another rule is that an hon. member cannot make changes in the

meaning of what was said in the house. Neither of these rules permits any change in this case.

Simply with the idea of indicating what would be appropriate in regard to proceedings of this kind I am going to move a motion, but before doing so I must express concern as an hon. member of this house that Your Honour has sought to justify this procedure by drawing a distinction between sittings in committee and sittings while Your Honour is in the chair. I submit there is no precedent for any such distinction. The informality to which Your Honour refers is informality in discussion, not informality in reporting and not informality as to the manner in which these reports will be dealt with.

Discussions in committee may be just as important and may have just as far-reaching consequences as discussions when Your Honour is in the chair and we are discussing a matter with the House of Commons sitting formally. I submit, therefore, that the distinction cannot be drawn and it would be unfortunate if Your Honour proceeded to make anything in the nature of a ruling which incorporated the observation you have just made. For that reason, Mr. Speaker, I move—

Mr. Speaker: Order. Before the Leader of the Opposition moves any motion, he must realize under what circumstances he has taken the floor. I was dealing with the point and was about to submit my action to the judgment of the house as was done by Mr. Speaker Black in 1933. At that moment the Leader of the Opposition said, "Before you make a ruling I should like to say something." I have heard him and I think I should now hear other hon. members who wish to speak.

Mr. Drew: If you are not to permit me to make a motion at this time, then before I conclude my remarks—I could of course make a motion at another time—may I strongly urge that you make no ruling until this matter has been submitted to the standing committee on debates with instructions that that committee inquire into and report upon the omission of certain words and figures discussed this afternoon. May I urge that the committee also on the basis of its inquiry make recommendations which will be for the advantage of Your Honour and members of this house whose authority in the end will determine the matter as to the appropriate procedure which would best ensure the integrity of *Hansard* in the future.

Mr. Coldwell: Mr. Speaker, I should like—

Mr. Gardiner: Will you allow me just to make—

[Mr. Drew.]

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I think the right hon. gentleman should wait until I conclude my remarks. First of all I want to say that this discussion this afternoon and the interest in the house, in the galleries and in the newspapers indicate the value which members of parliament have placed upon the official record of this house which we call *Hansard*. I want secondly to say that I noted that you suggested that you would submit yourself to the judgment of the house. May I say with all respect that I do not think you should do so. I do not see that you have any reason for doing that at this time.

I think the whole matter that you have tried to take upon your own shoulders is one that rests squarely upon the Minister of Agriculture (Mr. Gardiner). It was the Minister of Agriculture who came to you with the suggestion that certain words and figures be deleted from *Hansard*. You yourself have said that you understood that those figures were more or less inconsequential as far as the meaning of the statement made by the minister went. In that you were misguided or misinformed. Therefore I do not think that you should take the responsibility for what was done. I have no doubt that considerable pressure was brought to bear—

Mr. Harris: On a question of privilege and a point of order, Mr. Speaker, that remark was made just earlier by the hon. member for Winnipeg South Centre.

Mr. Coldwell: I did not hear it.

Mr. Knowles: Winnipeg North Centre.

Mr. Harris: I was about to rise at that point but I thought I would leave it until later. Now that it has been repeated may I point out to hon. members that in effect what they are saying that the Speaker of the House of Commons yielded to pressure of a cabinet minister with respect to something that was within his exclusive jurisdiction, and I want to suggest that no such remark should be made in this debate.

Mr. Coldwell: If that inference is going to be taken from it then I withdraw the word and I do it immediately because that was not the meaning of the word as I intended to use it. I should perhaps have said that very strong representations were made to you, Mr. Speaker, by the minister.

Mr. Gardiner: On a question of privilege, may I have the opportunity of saying that at no time did I put any pressure on anyone, either the Speaker or anyone at all. I would like that statement withdrawn. I did not put any pressure on anyone.

Mr. Coldwell: I would like to know why the Minister of Agriculture went both to the editor of *Hansard*, who as I understand it refused to make the changes that he urged upon him, and then went to the Speaker if it—

Mr. Gardiner: He did not refuse, he simply suggested that I go and discuss the matter with the Speaker, and I did.

Mr. Coldwell: All right; I will take that explanation from the Minister of Agriculture. But I do know that on one occasion when a colleague of mine simply inserted in *Hansard* the words "Mr. Speaker" indicating that I had risen to speak, the Minister of Agriculture not only objected to it but he pursued the former editor of *Hansard* with letters of criticism almost until he went to his grave.

Mr. Gardiner: Will you produce the letters?

Mr. Coldwell: I say to the right hon. gentleman that he obtained an alteration in *Hansard* which was not warranted. We have always believed that a member of parliament might go to the *Hansard* office and make editorial changes. What I mean is that he might change the phraseology without changing the meaning to improve the construction of a sentence. He might go to *Hansard* and change a figure that he had misquoted or, as I did the other day, when I quoted the name of a slave, in this House of Commons from memory, I quoted the wrong name and *Hansard* was good enough to accept my correction for the revised record of the debate.

Mr. Pickersgill: Did the hon. gentleman say slave?

Mr. Coldwell: S-l-a-v-e. I said the name of a slave in this House of Commons. The hon. gentleman knows perfectly well that you can put something in parentheses, and that is what I was doing. He is a master of the English language and he knows perfectly well what I was doing, but he thought it would be smart to pick me up.

Mr. Pickersgill: I object; I really misunderstood.

Some hon. Members: Sit down.

An hon. Member: You are still all wet.

Mr. Coldwell: What I was going to say is that those changes have been permitted, but this is a different sort of change. This was a change in meaning. I have looked at all the precedents that I could find this morning. The Leader of the Opposition (Mr. Drew) has quoted one of them, perhaps the most important. During the last 30 years members have risen in this house and drawn mistakes to the attention of the Speaker and the Speaker has ordered that words might be expunged from the record. From the chair he has ordered it, not outside this chamber. I looked through the records this morning and I could not find a single instance where anything of this sort had happened before. I hope that it will not happen again. From what His Honour the Speaker has said I do not think it will happen again.

I want it to be abundantly clear that in rising and discussing this problem I am not placing blame on Mr. Speaker, although I think perhaps Mr. Speaker did not exercise at that moment good judgment. I am placing the blame where it squarely belongs, on the Minister of Agriculture. This was an attempt on the minister's part to cover up something which he felt he should not have revealed to the house.

Mr. Gardiner: My friend knows better than that; he should know better than that.

An hon. Member: Sit down.

Mr. Gardiner: It was nothing that I should not reveal to the house. I revealed it to the house today.

Mr. Coldwell: If the minister felt it was something he should have revealed to the house, why did he reveal it to the house today after having taken it out of *Hansard* on Friday. I will tell you why he revealed it to the house today. It was because public opinion will support the members of this house in demanding that the Minister of Agriculture shall not be allowed to falsify the records of parliament. He realized that and so today he came back to try to make, shall I put it, restitution.

Mr. Gardiner: I realized on Friday that I would have all the abuse I am getting now and I was quite prepared to take it rather than leave some charge on the head of someone else.

Mr. Coldwell: I am very glad to know that that was the case. But, Mr. Speaker, this afternoon you tried to relieve the minister and I submit that the origin of the whole trouble should be laid on the shoulders of the Minister of Agriculture and that is where I intend to let it remain.

Mr. E. G. Hansell (Macleod): Mr. Speaker, it seems to me that perhaps in the end it will be discovered that this incident has been more or less highly inflated. However, that does not mean there is not some responsibility attached to someone somewhere, and that "someone somewhere" amounts to three people.

Hansard—Altering of Report

As far as I can see, Mr. Speaker, the first is Your Honour. You have given rather a lengthy explanation as to the rules governing this matter and the way you were approached on it, and I think the phrase you used was that you thought the minister's request reasonable. I can quite understand that. I do not suppose the minister came running to you with his hands scratching his hair out in a frenzy saying, "Mr. Speaker, you must do something". Politicians do not do it that way. They come and say—I am imagining I would do it this way—"There has been a slight error in some figures I gave today, and I just wondered if you would mind if they were scratched out and the correct figures put in."

Of course, Mr. Speaker, you would say that was a reasonable request. As far as any pressure being brought upon you is concerned, I would not regard it as pressure at all. I would regard it in the way I have said. I can visualize the minister coming to you in some such fashion and saying that it is an innocent little correction and your saying, "Yes, that seems to be reasonable to me." I say the minister should not have gone to you in the first place with such a request. That is where the responsibility, to my mind, rests. If your suggestion that you submit your decision to the judgment of this house is carried out, Mr. Speaker, this group is going to vote confidence in you, because they believe that you do act reasonably in all cases.

The second person that might be involved would be the editor of the debates, and you have already paid a high tribute to the editor of debates. The applause in this house confirms your tribute to the editor, and our experience—some of us over a good many years—would lead us to applaud every editor of debates that we have known in the last number of years. So we would vote confidence in them.

Of course there is only one person left, and that is the minister. It took the minister 20 minutes to rise on his point of privilege, and I think he would have gone on if you had not interrupted. I am at a loss to know why there were not the usual bawls on the government side of the house when a point of privilege lasted more than about 10 seconds. Today it lasted for 20 minutes, and no member on the government side of the house objected at all. That will be the day when anyone on this side of the house takes 20 minutes on a point of privilege. However, that is only incidental. There are one or two things I should like to amplify. The minister himself said that he had gone to the editor of debates and the editor of debates had said, "No, I am afraid we cannot delete a passage unless we get permission from the Speaker." The minister went to the Speaker, but there was another body of men to whom he went. He went to the press.

Mr. Speaker: May I suggest that in dealing with this point you might leave strangers out of the argument?

Mr. Hansell: The press may be strangers to some people but they are not strangers to the minister or to the government.

Mr. Coldwell: The minister went to the press.

Mr. Hansell: I hope I did not leave a wrong impression. The minister went to the press. It was the minister himself who first raised the matter by saying he went to the press. Now, I do not know whether we can conclude from that that there was any interference with the press, but the subject matter had gone over the wires and so nothing could be done about it. But this is not the first time that government members have gone to the press and tried to stop the press from publishing certain things. Members might talk about the freedom of the press and so forth, but let no person come to this corner of the house and accuse us of not believing in the freedom of the press.

The fact of the matter is that when the minister made his statement regarding the use of margarine by these institutions in our neighbouring province, somebody began to holler. It is not a matter of changing figures in *Hansard;* it is a matter of the minister's statement becoming a political issue in our neighbouring province. Somebody told the minister "You have to do something about this." The minister did do something about it, and it was the minister who yielded to some pressure. He did do something about it. He scratched it out of *Hansard.* He tinkered with the official record when it was not necessary to do so. The minister could have let the thing go just as it was, and he would have been better off if he had, because this criticism has gone into the press and has gone over the radio. Its importance, I think, has been highly inflated. All that could have been avoided by the minister letting the thing go, coming into the house today and rising on a point of privilege to say that he had made a mistake and that he should not have said this, correcting the figures and letting it go at that.

I shall not say any more except this. I think we have really said enough about the matter. We are not going to vote for the motion that has been proposed—

Mr. Coldwell: No motion has been moved. He could not move it.

Mr. Hansell: I am sorry. I thought it was a motion to refer this to the committee on debates. I am sorry if I misunderstood it. I do not think a motion is required at all. I think enough has been said to punish the minister. It is not the first time he has been punished in his long career.

Mr. Coldwell: It will not be the last.

Mr. Hansell: He says he is quite willing to rise and apologize. Let us not allow him or anyone else to think they can do these things and cover them all up with a little apology. That is not good enough. I do say, however, that there has been enough said. The minister recognizes the seriousness of the matter, and I trust that things of this kind will not happen again. The strange thing to me—though it is not strange after you have been in politics for a few years—is that, when anything becomes a political issue, my! my! how the sparks can fly!—and that is what that is. The minister knows it. Those gathered around him know it; and that is the reason for the whole fiasco today. As far as this group is concerned, we could just drop the matter now and let it stay where it is and let the minister realize that we are very critical of his action and that he himself will have to take the blame.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I was interested in the jeers which greeted the hon. member for Macleod (Mr. Hansell) when he suggested that there had been an attempt to interfere with the freedom of the press in this matter. If I understood the Minister of Agriculture correctly, he told us that on Friday evening he had tried in certain quarters to prevent certain material from being published. That was my understanding of what he said. When the Minister of Agriculture, with all his years of experience and with all his influence, seeks to have something kept out of the press, if that is not interfering with the freedom of the press, I do not know what is.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there is just one point in connection with this matter that I should like to ask Your Honour to consider. Before I do so, however, may I indicate my full support of Your Honour's suggestion that no member or minister should approach yourself or the Clerk in connection with matters of this kind. We have complete confidence in our reporters on the floor and in the editors of *Hansard* and we should not go beyond them with respect to a matter of this kind.

Mr. Harris: Will you withdraw your earlier remark?

Mr. Knowles: What is my hon. friend saying?

Mr. Harris: Will you withdraw the remark with respect to pressure, as your leader did?

Mr. Knowles: The Minister of Finance is asking that I withdraw the remark that I interjected at one point and in which I used the words "under pressure". Mr. Speaker, I do not feel that I should withdraw that remark. If any member of this house asked the editor of debates to make a change and the editor refused and if, as a result of that refusal, that member went to the Speaker in my view that is putting pressure on the Speaker.

The point I wish to raise, Mr. Speaker, relates to your suggestion that the words that were stricken from *Hansard* the other day be inserted at the proper point in the bound volume. First of all, of course, it will have to be made clear just where those words go. I believe Your Honour is the only one who has read the exact words so far and you said they would go after the figure "155,000". The figure "155,000" appears twice in the second last paragraph of column 2 on page 1056 of *Hansard*. I believe the words should be at line 12 of that paragraph.

The point I raise is this. Unless there is some notation put on page 1056 in the bound volume, a future student of *Hansard* will read page 1056 of *Hansard* of February 10, 1956, and this discussion of today with considerable confusion. Today's discussion will imply that these words are not there, but a future student of history will look back to page 1056 and will find that the words will be there. I am not proposing on the floor just how it should be done, but I am proposing that the editor of debates should be given permission to make a proper notation, if these words are put back in, to the effect that they were put back in as the result of today's discussion on the floor of the house.

Mr. Speaker: May I thank hon. members for the manner in which they have approached this difficult problem. May I say that apparently we are all in agreement as to how we want our *Hansard* to be protected. I think we are all in agreement that in authorizing the editor of debates to make the change which he made, I acted too summarily, too expeditiously and too lightly. I am extremely sorry to have acted in that light manner. I tried to explain the circumstances of the approach that was made to me. I want to state that if the minister had, as some hon. members contend, exerted any pressure, the alterations would certainly not have been made because it would have pointed out to

me what, in fact, the alterations were. But it was precisely because no pressure was put on me—

Mr. Hodgson: Oh, oh.

Mr. Speaker: The hon. member for Victoria, Ontario (Mr. Hodgson) makes an exclamation which indicates that he does not accept what I say, namely that there was no pressure brought to bear. I am not going to quarrel with hon. members. I state upon my honour as Speaker of the House of Commons that never at any time was any pressure put on me with respect to this matter. The circumstances were exactly as I have explained them to the house. I was standing up in my office. My two guests were right there when the Minister of Agriculture (Mr. Gardiner) walked in. I introduced him to my two guests, two parliamentarians from New Zealand.

It was at that moment that he indicated that there were some figures that he wanted to have deleted from *Hansard* in the interests of accuracy, and then he went on to indicate that if they were allowed to remain, there was some implication that some institutions in the province of Quebec would be guilty of a certain crime. At that moment it appeared to me to be a reasonable suggestion. That is all there was to it. The minister went upstairs and I phoned *Hansard*. That is the whole picture. There was nothing else. I swear to that. What I say now I would say under oath before any committee.

Some hon. members seem to feel it is peculiar that the editor of debates should refer an hon. member to me. The Minister of Agriculture is not the only one who has been referred to me. There are other members in this house at whom I am looking right now who have been referred to me by the editor of debates. During the last recess, when I was discussing matters of administration with the associate editor of debates—I am referring now to Mr. Buskard—he told me that sometimes he was having certain difficulties because he found that members, in revising their copy, were putting in too much or deleting too much. He said to me, "What is my order of reference? It is a difficult matter. Pressure is being put on me to make exceptions".

It was precisely in order to help him to resist that kind of pressure that I advised him as I did. I think hon. members know—in view of several requests that are being placed before me from time to time with regard to different matters—that I know how to resist or how to say no. I think hon. members know that. It was precisely in order to help that employee of ours that I told him this: "Hold the line; and if some difficulty comes along, refer it to me". It is for that reason that the Minister of Agriculture was obliged to come to see me. Where I failed in performing my duty as I should have performed it, in my opinion, was in not telling the Minister of Agriculture, "Will you please wait for me; I will let my two guests leave and then we can talk this matter over, call the editor of debates, bring him down here and look at the words that were to be deleted." If I had been able to consider them then, my reply to the Minister of Agriculture would have been no. That is my position.

The Leader of the Opposition (Mr. Drew) has made quite a case of the intervention of Mr. Mackenzie King in 1933 when Mr. Speaker Black had expunged from *Hansard* an expression which he considered to be objectionable and which had been attributed to Mr. Pouliot. The expression was that Mr. Pouliot had called another person a clown. That was a matter that had to do with disrespectful language or unparliamentary language. The expression was:

> . . . I did not object for the reason that clowns are never taken seriously, . . .

That is the expression that was used by Mr. Pouliot, at page 3749 of *Hansard* of April 5, 1933. It is that expression which Mr. Speaker Black ordered outside of the house to be expunged. It is that sort of action to which Mr. King took objection and to which he referred to his remarks at page 3805 of *Hansard*:

> Mr. Speaker, I do not wish to take exception to what Your Honour may have done in the way of expunging possible objectionable phrases from *Hansard* . . .

He referred there, as did Mr. Speaker Black at page 3855 of *Hansard*, to objectionable phrases which the Speaker may order to have expunged in the house because they offend the provisions of standing order 35. This is a different matter altogether. If hon. members assume for one moment that we are dealing in this case with alterations that deal only with minor revisions, and therefore purely a matter of editing, no hon. member will contend for one second that, in the very narrow limits of revision permitted under editing action, the Speaker, if his advice is sought by the editor of debates, must come to the house to make his ruling.

If, as in this case, it goes beyond the mere editing permitted, then of course it is a different matter. It is for that reason I am glad the matter is being aired in the manner that it is. I repeat that if I have done anything wrong which is not in accordance with

what hon. members would have wished me to do, then I am sorry; I confess; I apologize, and I feel that confession is good for the soul.

Mr. Coldwell: I am told by my colleagues, Mr. Speaker, that when I was speaking the Minister of Agriculture rose and offered to apologize to the house. I am sorry. I did not realize that or I would have sat down and allowed him to make that apology.

Mr. Gardiner: That was not my intention. I did rise when the Leader of the Opposition was speaking and said I was quite prepared to apologize but no one would let me do so.

Mr. Fulton: Has the minister changed his mind?

Mr. Leon Balcer (Three Rivers): I rise on a question of privilege, arising out of the same incident but on another subject than the one which has been raised. My question of privilege is this. A most serious accusation was made by the minister against the charitable institutions of Quebec—

An hon. Member: Politics.

Mr. Balcer: It is not a question of politics.

Mr. Lesage: It is a question of politics, not of privilege.

Mr. Speaker: May I tell the hon. member that what he is raising at the moment was part of the consideration that I did give in making my own decision. I am glad he has raised the point, but at this moment I do not think we should go beyond the point dealing with the alteration that was made in *Hansard*. The question the hon. member has in mind is one which I feel could be raised as soon as the committee is in supply on the estimates of the Department of Agriculture. You see, at the moment we do not know what has taken place in the committee of supply. It has not reported. All we know is that *Hansard* has been altered. This is the point that must be discussed at the moment.

If the hon. member wishes to discuss further the matter of altering *Hansard,* I will listen to him.

Mr. Balcer: It is just that the Minister of Agriculture, when he rose this afternoon on this question, did not give a definition of margarine. It makes a tremendous difference whether he meant the margarine used in the institutions in Quebec was margarine made from vegetable oils or if he meant—

Mr. Lesage: On a point of order—

Mr. Speaker: May I rise to clarify a point? The hon. member for Three Rivers is now complaining that in his statement the minister did not deal with the situation as fully as he should have. The hon. member for Three Rivers will recall that at one point in the minister's statement, a point of order was raised by the hon. member for Rosetown-Biggar (Mr. Coldwell) to the effect that no matter foreign to the alteration of *Hansard* be touched on by the minister. He could not deal with the matter any further than was necessary in a discussion of the alteration, the question before the house at the moment. Is the house ready to hear the minister deal with the other point, that there might have been some inference that institutions in the province of Quebec were breaking the law?

Mr. Balcer: Mr. Speaker, I really think that the minister ought to clarify the situation because it is very serious for him to accuse institutions of doing something illegal, and just give some statistics. I think he could clarify that. When he mentions margarine, does he refer to margarine made from vegetable oils or made from animal oils, because one is legal and the other is illegal. I think he should clarify that.

Mr. Gardiner: As the Speaker has already pointed out, that is what I was prevented from doing when I had the floor. I was going to read that into the record.

On December 17, 1953 an act, known as an act to protect the dairy industry in the province of Quebec, 2 Elizabeth II, was passed. In addition to defining dairy products, a substitute for a dairy product is also defined. Subsection G, section 1, reads as follows:

> "substitute": any food product prepared for use or used for any of the purposes which a dairy product may serve, and in the manufacture of which vegetable oils or fats are employed; such term means particularly, but not restrictively, margarine, oleomargarine and any similar product, whatever may be the name by which it is called.

Of course, the important fact there is the reference to vegetable oils. This means that any product in which vegetable oils or fats are employed is a substitute for a dairy product and is prohibited by section 2 of this act. You will note that margarine and oleomargarine are specifically mentioned and prohibited.

However, section 3 of the same act permits the lieutenant governor in council to:

> (a) withdraw from the application of this act any special alimentary product, in particular any product in the making of which enter largely animal fats and which, in the opinion of the lieutenant governor in council, is rather a substitute of the fat or of another foodstuff than a substitute of a dairy product in the sense of this act;

Unfortunately, in the short time at my disposal this morning I was not able to get a copy of all the amendments or regulations that have been passed under that act.

I understand, as the hon. member points out and as some hon. members know, prior to the time vegetable oils became popular margarine was made from animal fats and fish oils. There was not any margarine made from anything else. My understanding is that it is not that type of margarine which is declared to be illegal.

The same form goes to every province in Canada, including Quebec, and the three questions which I read into the record a little while ago are on it. In reporting what they were doing, the institutions did say they were buying margarine. We did not ask them to define what they meant by "margarine", and we have never accused them of breaking the law. I do not want it understood that anything I said on Friday contained implications that we were accusing anybody of breaking the law. It was because I heard so many suggestions afterwards that they were breaking the law that I thought any action whatever was necessary. If it had been a day earlier in the week, I would never have thought of doing anything other than what the rules state, namely bringing the matter before this house.

But as the Speaker has already pointed out, by the time I got around to him it was two minutes before six o'clock and the house adjourned at six o'clock. The only reason I went to the press at all was to point out to them what it would mean to have people publish the idea all over this country, during the long week end from Friday night until Monday morning, that some people had broken the law when as a matter of fact we knew they had not broken the law, in so far as we knew. For that reason, I did suggest that probably if the press could withhold—

Mr. Knowles: May I remind Your Honour that you asked the hon. member for Macleod not to discuss the strangers in the gallery with respect to this matter.

Mr. Gardiner: Most members who spoke said they were not strangers to me.

Mr. Speaker: I did ask him, but he did discuss strangers in the gallery.

Mr. Gardiner: In any case, the suggestion was simply made that if possible further publicity be withheld until Monday; that is, from Saturday morning until Monday. As hon. members know, there is no afternoon press Saturday anyway, therefore that did not mean very much. But they convinced me that it was absolutely impossible. The messages had gone out. As I understand it, they went out at about half past four, and I did not get around to checking it until it was close to six o'clock. Therefore there was not anything that could be done about it. They were kind enough to suggest to me that I submit a statement to them, and I gave them a two-line statement which I read out a few moments ago.

Mr. Coldwell: Instead of running to the Speaker and to *Hansard*, would it not have been well to wait and rise on a question of privilege in the house to clear up the matter?

Mr. Gardiner: It might have been. In order to accommodate the Leader of the Opposition, I am going to say to him that I understand the rules of the house very well.

Mr. Drew: That makes it far worse.

Mr. Gardiner: I have been here for 20 years and I have never asked anybody to take anything out of *Hansard* before, and that ought to be good enough reason for saying there ought to be a special reason this time. Suggestions have been made in some articles that have appeared in the press, and certain individuals have been named, and it has been said that they brought pressure to bear on me. They did not bring any pressure to bear on me at all, any more than I brought pressure to bear on the Speaker. He has indicated to you that there was no pressure.

As a matter of fact, I realized that if I had not made the suggestion which I did make, the insinuations which I heard today —and they are insinuations that the law had been broken—were going to go out over the whole week end from Saturday to Sunday, and it would be almost impossible to catch up with them. So I was quite prepared to let anybody abuse me from now until I go out of politics with regard to the matter in order to see to it that persons of that kind, and institutions of that kind, were not being condemned, as they have been condemned over the week end, not by the Canadian Press but by some newspapers. They were not to be condemned without knowing that there was no intention on my part or on the part of any of the officials in my department to say that they had been breaking the law. In my opinion, they have not been.

Mr. Drew: Mr. Speaker,—

Mr. Gardiner: Again may I say I sat down without apologizing. I do apologize.

Mr. Drew: Do not let me prevent you.

Mr. Gardiner: I do apologize for having made it necessary—and I say "necessary" advisedly—to have this discussion. I think that if it concerned only myself I would have seen to it that this discussion did not take place. But knowing this house as I know it, and particularly those who sit on the

other side of the house, I was not foolish enough to think there would not be anything said about it today. Of course, that will get a lot of publicity, but I hope the publicity it does get will indicate that institutions that some people think were breaking the law are not breaking it.

Mr. Drew: There is one point in Your Honour's remarks which I think I should refer to before we leave this matter, because it constitutes a record which will be referred to later on. Your Honour spoke about the fact that I had made some reference to a case in which Right Hon. Mackenzie King had put on the record a statement that has generally been accepted as a statement of the relationship of *Hansard* to the Speaker and to the house. Your Honour then went on to refer to the specific words that were used, which were expunged.

I would point out that my reference to that had not to do with the content of the statement which was expunged. It was to emphasize the fact that *Hansard* is under the authority of the house. That was the point that Mr. King was making, and that is the point I sought to make by quoting that reference today. In that regard, I simply do make this further observation so that the record will be complete.

Mr. Speaker: Well, no one objects to the theory that *Hansard* is subject to the authority of the house and that the Speaker is subject to the authority of the house. But that being so, I submit that there are two types of expurgations or erasures which may take place in *Hansard*. There is the one which forms part of what is called editing, which is very narrow, very limited. And I say that in the work the editor does as an editor he may seek the advice of the Clerk or of the Speaker. There is also a ruling which may be made by the Speaker when an unparliamentary expression is used. The Speaker may either ask that it be withdrawn, or he may ask that it be expunged from the record.

I agree with Mr. Speaker Black that when an unparliamentary expression is used in debate I should not order that it be erased from *Hansard* unless it is done on the floor of the house, unless I make my ruling right here. In that I fully agree with Mr. Speaker Black, and that is quite in line with what the Leader of the Opposition has said. But the Leader of the Opposition contended that the ruling of Mr. Speaker Black extended to the relationship between the editor and the Speaker with regard to the editing of *Hansard*, which is a different proposition altogether. As I say, that editing is supposed to be within very narrow limits, and the narrower it will be the better.

Mr. Drew: I do not want the record in this case to be in any way unclear to those who read it afterwards. This was not a case of editing; this was a case of expunging, and that is exactly the point I was making. I want to make it quite clear that my remarks were all directed to the fact that the minister was personally responsible, and he has apologized for what he has done. I think at this stage, therefore, hon. members quite agree that much of the discussion this afternoon could have been shortened if that had taken place earlier.

Mr. Speaker: May I say a word? I will follow the advice of the hon. member for Rosetown-Biggar (Mr. Coldwell), and of the hon. member for Macleod (Mr. Hansell) and I will not submit a question to the house with respect to the action taken, but will understand from the debate that it is the wish of the house that greater care be taken in future in the editing of our debates.

MOTION FOR PAPERS

GOVERNMENT GUARANTEE ON LOANS TO FARMERS

Motion No. 26—**Mr. Fulton:**

For a copy of the letter or letters sent to chartered banks of Canada by the Minister of Finance in November, 1955, as to the basis upon which they might commence making loans to farmers on the security of their grain, such loans to be guaranteed by the government.

He said: I believe that in response to a request made by one of the other hon. members on Friday the Minister of Finance has agreed to table the letter. If that has been done, it would seem to make my motion unnecessary. If the minister will tell me whether it has been tabled, I would ask that this be withdrawn.

Mr. Harris: I tabled the letters, Mr. Speaker, but on rereading them I find that I omitted to attach to them the forms which had been sent with the letters. With the consent of the house I will table these forms later today.

Mr. Fulton: May I ask that this motion be withdrawn?

Mr. Speaker: Is it agreed that the motion be withdrawn?

Some hon. Members: Agreed.

Mr. Speaker: Withdrawn.

Income Tax Act

RESEARCH

PROPOSED COMMITTEE TO PROMOTE AND ACCELERATE ACTIVITY

On the order:

Notices of motions: Mr. Murphy (Lambton West)—The following proposed resolution:

That, in the opinion of this house, the government should consider the advisability of setting up a special committee representative of all parties, with power to call witnesses and send for documents and papers for the purpose of examining and reporting upon the advisability of providing inducements to promote and accelerate activities in the field of research.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, since the motion was called last I have read what Your Honour said and what the Prime Minister said, and have considered what the leader of the house said to me personally and what he also said on Friday last when he announced the business of the house for today. As a member of the opposition I must accept that assurance in good faith, and accordingly I suggest that my resolution be withdrawn.

Mr. Speaker: Dropped.

INCOME TAX ACT

SUGGESTED ALTERNATIVE PROVISIONS FOR DEDUCTION OF MEDICAL EXPENSES

Mr. O. C. Trainor (Winnipeg South) moved:

That, in the opinion of this house, the government should give consideration to the advisability of amending the Income Tax Act so as to provide that the taxpayer shall at his option be entitled to deduct from his taxable income either (a) his medical expenses as now determined; (b) the premiums paid by him for insurance against sickness or accident or both; (c) the specific provincial tax paid by him under any provincial scheme of health insurance.

He said: Mr. Speaker, my principal intention in introducing the resolution is to call to the attention of the house certain taxation practices followed in this country which I think work an injustice to citizens of the country. The resolution would simply introduce the principle of allowing an option to the taxpayer, and in addition to the present exemption privilege that he enjoys he would be granted the privilege of including in his exemption any premium he might have paid for the purpose of insurance against illness. In the alternative, if he happens to reside in a province which supplies this service and charges a specific tax therefor, the tax would also be allowed as an exemption.

The principle is really very simple. It is simply that the individual will be allowed to include in the exemption from his taxable income a prepayment on medical expenses. At the present time he is allowed to claim medical expenses as an exemption but he is not allowed to claim such expenses when they are paid in advance by way of premium. I submit it is only logical to allow an exemption for an advance payment when one allows an exemption for a payment after the fact.

It may be held that after all the question of an exemption is only of importance to the taxpayer with a large income but I submit it is of even more importance to the small taxpayer because from an examination of the statistics compiled by the dominion bureau of statistics one sees that the largest single group of taxpayers comprises those who get $5,000 to $6,000 a year. In 1950 they accounted for 7·6 per cent of the total income tax collected by Ottawa. I suggest that the exemption of insurance premiums or taxes, as the case may be, is an extremely important item to the income taxpayer who earns between $5,000 and $6,000 a year.

It may be maintained that the new hospital insurance proposals of the government will lessen to some degree the necessity for such changes in the Income Tax Act, but I suggest that the need will still exist and that anything other than a recognition of this need merely illustrates the extraordinary propensity of the government to strain at a gnat and swallow a camel. According to estimates I have heard, they are prepared to spend up to $182 million on a very inadequate and limited plan of hospital insurance and yet they refuse to recognize a relatively minor change in the Income Tax Act that would not be responsible for depriving the treasury of any very considerable amount of money but would certainly assist the average taxpayer in the country materially.

I submit that if the principle of medical exemption is valid in any circumstance it is certainly valid in the sense that it can be applied where prepayment is made rather than actual payment. As a matter of fact there is something a little bit improper, shall I say, if an exemption is allowed for medical expenses which the individual does not actually pay but which are paid on his behalf by an insurance carrier. It may be argued, of course, that he has already paid in the sense that he has paid a premium but nevertheless the premium may bear no particular relation to the amount of deduction he is claiming. Therefore I suggest that a far more logical way would be to allow him the option of claiming an exemption when he has actually made payment of the premium. This would regularize the situation so that the exemption would be claimed only when an expenditure had been made.

Many members, particularly those of the C.C.F. party, may notice that the resolution may appear to be parallel in some degree

to a resolution that was considered previously by the house and rejected. I do not wish to refer to that resolution other than to point out to hon. members of the C.C.F. group especially that the two resolutions are by no means mutually exclusive. I am glad to say I was able to vote for that resolution with a clear conscience and I intend to support this one as well. I would solicit the support of all members of the house for the subject matter of this resolution because I consider that it is logical and sensible and will certainly be very much appreciated by the taxpayers of the country.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I am rising to oppose the motion of the hon. member for Winnipeg South (Mr. Trainor). It does not seem to me that it is out of order in any way despite the fact that we have already dealt with a resolution along somewhat the same lines at this session, as the hon. member has just pointed out. However, it seems to me there are many weaknesses in logic in the proposals contained in this particular motion.

The motion reads as follows:

> That, in the opinion of this house, the government should give consideration to the advisability of amending the Income Tax Act so as to provide that the taxpayer shall at his option be entitled to deduct from his taxable income either (a) his medical expenses as now determined; (b) the premiums paid by him for insurance against sickness or accident or both; (c) the specific provincial tax paid by him under any provincial scheme of health insurance.

It seems to me that there is a grave weakness in the equation which the hon. member for Winnipeg South (Mr. Trainor) sets up. He suggests that there is some equality or some balance as between the three things which he is suggesting as possible deductions. May I point out to the hon. member and to hon. members of the house that there are very strict limitations on any deductions that one may claim as of now. In other words, the limit is strictly to a certain percentage of your total income and you are not allowed to make any deduction unless it exceeds that point.

It is when he gets over into the field of suggesting that there should be deductible from income the premiums paid for insurance against sickness or accident or both that I for one cannot see much more sense in that than to suggest that we should be allowed to deduct the premium we pay for collision insurance on our automobiles from income. It does not seem to me to have much more relationship.

Surely the most unwise suggestion of the three is the third where the hon. member suggests that the specific provincial tax paid under any provincial scheme of health insurance should be deductible for the purpose of federal income tax. Surely if we stop to contemplate what is really suggested there we must realize that it is simply a disguised suggestion for transferring from the provincial to the federal authorities the responsibility for carrying on the hospital insurance schemes of this country. As we all know very well, there has recently been made, and we have already had a broad outline of it in the press, a suggestion for a nation-wide insurance scheme under certain conditions, but the suggestion of the hon. member for Winnipeg South would preclude and completely undercut the basis which has been suggested for the federal-provincial national health insurance scheme.

I do not think that anything has ever been suggested at any federal-provincial conference for the revision of the tax basis as between the two authorities which is so unwise or so unsound as the suggestions proposed in this motion by the hon. member for Winnipeg South. It does seem to me that this motion is completely unwarranted. The only good thing about it I think is that it merely suggests that medical expenses which are deductible now should be permitted as a deduction, but as against that it sets out other possible deductions which are not only out of balance in themselves but which would be very much against the national interest.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I feel that the intention of the hon. member for Winnipeg South (Mr. Trainor) in moving this resolution is one that should be supported. I think he stated that intention quite clearly in the remarks he made when presenting the resolution to the house. However, I must say in a kindly way, as used to be said by a former minister on the other side of the house, that I doubt whether the resolution as worded carries out the intention of the hon. member.

The hon. member says that he wants it to be possible for a taxpayer to be able to include in his deductible medical expenses any premiums he pays on sickness or accident insurance. With that desire I agree, but I ask him to follow me closely when I point out that his resolution as it is worded does not say that. His resolution does not ask that a taxpayer be allowed to include these premiums in his deductible medical expenses, but rather his resolution asks that the taxpayer be given any one of three alternatives.

The three alternatives suggested in the resolution are, first, that the taxpayer be allowed to deduct medical expenses as now determined. The second proposition is that the taxpayer be allowed to deduct as medical

expenses the premiums paid by him for insurance against sickness or accident or both. The third proposition is that the taxpayer be allowed to deduct as medical expenses the specific provincial tax paid by him under any provincial scheme of health insurance.

I think it is quite clear that the wording of the resolution would put the taxpayer in the position that he could have one of those choices, but not any two of them and certainly not the three of them. The result would be that if a taxpayer were to choose the first option, namely, the deduction of his medical expenses as now determined, he would not get the other privileges which the hon. member for Winnipeg South wants the taxpayer to have.

I say quite definitely that I do not think there is any argument between the hon. member and myself as to what he wants, but I do feel that I can render him a service by moving an amendment to his motion which will have the effect of making it more clear and which I think will have the effect of setting out actually what he wants.

Before I move the amendment which I have on my desk may I point out another difficulty that faces us when we look at the wording of the motion. I emphasize that the difficulty arises from the wording of the motion, not from the hon. member's speech or from what it is he really wants. The effect of the motion as it now stands would seem to put hon. members in the position of approving of the present provision, of approving of the plan for the deduction of medical expenses as now determined. Most of us on this side have indicated already our disapproval of the present plan, particularly with respect to the 3 per cent floor. We are not satisfied with the deduction of medical expenses as now determined; we want that changed. All of us on the opposition side of the house voted for such a change on January 30 and it would be difficult for us to vote today for a motion that seems to confirm the deduction of medical expenses as now determined as a satisfactory arrangement.

Mr. Trainor: I voted for your resolution.

Mr. Knowles: That is exactly my point. I appreciate the fact that my hon. friend and his colleagues voted for my resolution on January 30. For him or his colleagues to vote approval of this resolution seems to me to be inconsistent with our demands on this side of the house that the 3 per cent floor be removed.

Mr. Macdonnell: Would it not be clearer to call it acquiescence rather than approval?

[Mr. Knowles.]

Mr. Trainor: The words could be "that may be determined" if that would make any difference.

Mr. Knowles: I will come to the suggested amendment in a moment or two. Another difficulty I see with the motion in the way it is worded is that it seems to me that it does not offer a real option to the taxpayer. In most instances the medical expenses which a taxpayer would have would be more than the amount of premiums that he would pay into one of these plans. If you are in effect simply giving the taxpayer one or another of these three options, you are simply giving him what he now is entitled to or something less. It seems to me that that is hardly a worthwhile proposition.

I say to my hon. friend, and I must commend his patience in listening to my criticism of his resolution, that all my criticism is directed at his resolution and not at his speech or at what I believe to be his intention. I feel that what the hon. member wants, and in that we support him, is that the act be amended to make it clear that when a taxpayer is adding up his medical expenses he be permitted to include as medical expenses any amount he had paid during that year in premiums for sickness or accident insurance, either under a private plan or under a provincial plan.

We must not forget that at the present time, if a person is in one of these plans, whether it be a plan such as those in Saskatchewan, Alberta or British Columbia, or whether it be a Blue Cross plan in one of the other provinces, he is not entitled to deduct the premiums he pays. But in any year in which such a member of one of these plans is hospitalized, or has a bill paid for him in any other way, the amount of that bill which is paid for him out of that plan is allowed as a medical expense.

We do not want to lose that. But my hon. friend, though he stated it in his speech, does not make that clear in the wording of his resolution, and the fact that it is not clear would seem to me to raise a serious question. I think what he wants and what most of us feel we should have is that in any year when a person goes to hospital the present arrangement should stand, that the amount paid for him out of the plan be allowed as a deductible medical expense; but in those years when a person is not hospitalized he be allowed to enter as a medical expense the amount of the premium that he actually pays.

From what I heard my hon. friend say, that is what he wishes. I think this wording would make it clear. Therefore, seconded by

my colleague the hon. member for Mackenzie (Mr. Nicholson), I move:

That the motion be amended by deleting therefrom all the words after the words "be entitled" and by substituting therefor the following words: "to include in his deductible medical expenses either (a) any amounts billed and paid under a contributory insurance or hospitalization plan, as is now provided, or (b) any premium or tax paid by him for insurance against sickness or accident or under any plan of health insurance."

The result of this amendment is that the motion as amended would read as follows:

That, in the opinion of this house, the government should give consideration to the advisability of amending the Income Tax Act so as to provide that the taxpayer shall at his option be entitled to include in his deductible medical expenses either (a) any amounts billed and paid under a contributory insurance or hospitalization plan, as is now provided, or (b) any premium or tax paid by him for insurance against sickness or accident or under any plan of health insurance.

The merit of that motion as amended, if my hon. friend from Winnipeg South will accept the amendment, is, I think, that it is clearer and that it seeks exactly what my hon. friend wants. It does not touch the question of whether or not we approve of the existing plan of deductions, which includes the 3 per cent floor. That is not there. All of us on this side of the house are against that floor. It does not alter the present right of the taxpayer to deduct amounts paid for him under a plan, as is now provided in the regulations under the Income Tax Act, but it gives to the taxpayer the right in any year to include in his medical expenses, as an alternative to the amounts paid for him, the premiums he pays in. That would mean, of course, that if there happened to be a year in which the taxpayer found the hospital bill paid for him was less than the premium he had paid, he could charge the premium rather than the amount paid. It would also mean that in those years in which the taxpayer did not go to hospital at all, he would receive credit against his income tax for this prepayment, as my hon. friend calls it, that he makes from year to year.

Mr. Trainor: He could not claim both?

Mr. Knowles: That is the intent of my amendment, that the taxpayer not be entitled to claim both what he paid in and what is paid for him but that he be entitled to claim one or the other at his option. I hope my hon. friend will agree to my suggestion that I have tried to do him a service in moving an amendment which simply makes very clear what he wants. Certainly we are in support of the request contained in the motion as amended by the amendment I present to the house.

Mr. Trainor: Mr. Speaker, may I say I am quite willing to accept the amendment as proposed by my hon. friend from Winnipeg North Centre, not because I think it clarifies things particularly, in my rather incompetent way of thinking things out, but because he apparently thinks it is a clarification. Perhaps the resolution as drafted does lend itself to the interpretation the hon. member puts on it. So if it is of any assistance to the hon. member for Winnipeg North Centre or any other hon. members to accept his alternative phraseology, I am quite willing to go along.

Mr. F. T. Fairey (Victoria, B. C.): Mr. Speaker, I was prepared to say a word about the original motion, when I just had a copy of the amendment handed to me. In the main my remarks, as I had thought of them, will apply equally to the amendment. Certainly I would commend the mover of this resolution for his intention. Any intention to reduce taxes is most commendable. But this resolution would appear to give the taxpayer a choice, and the amendment still gives a choice and, to my mind, not a good choice. Let me refer to the resolution:

(c) the specific provincial tax paid by him under any provincial scheme of health insurance.

In the province of British Columbia the sales tax was increased from 3 per cent to 5 per cent, and the extra 2 per cent goes to hospitalization. No premium is paid by any taxpayer in British Columbia, nor is any premium paid on his behalf, as it used to be a few years ago. I think it is a good scheme now, and I have benefited by it. Formerly we were subject to a premium of about $19 or $20 for a single person and in the neighbourhood of $40 for a married person, and that entitled a person to receive free hospitalization and diagnostic services in the hospitals of British Columbia.

It would appear to me that to be allowed to include that small sum of, say, $40 for a married person as a medical expense would certainly not raise his allowable deductions to the point where he would get any benefit. But should an accident or sickness occur, as it did in my own specific case, and the person be faced with a hospital bill of several hundred dollars, a person in British Columbia can include that hospital bill as a payment made on his behalf and it becomes a part of his deductible medical expenses. It seems to me that is of greater benefit to an individual than to be allowed to deduct an annual premium which for many years would not permit him any deduction at all from his income tax.

Mr. Trainor: Would the hon. gentleman permit a question?

Mr. Fairey: Certainly.

Mr. Trainor: Do not the resolution and the amendment as worded still permit him to deduct that expense?

Mr. Fairey: Yes, I was coming to that. I should like to point out to the mover of the resolution, the hon. member for Winnipeg South, that there would be a tremendous difficulty in calculating how much I paid to the province of British Columbia by way of 2 per cent of the 5 per cent sales tax, as a premium for my hospital insurance. It would be an impossibility to calculate how much each individual in British Columbia pays by a levy of 2 per cent on all his purchases.

Mr. Trainor: If the hon. member has a suggestion as to how that might be done, I should be happy to include it.

Mr. Fairey: I am just saying it is impossible to do. I have no suggestions as to how it could be done. That is why I oppose this resolution. I think it is not possible to put clause 3 into effect.

Mr. Trainor: It is in Saskatchewan.

Mr. Fairey: It is not in British Columbia, at least I do not think it is.

Mr. Trainor: It could be.

Mr. Fairey: What does that leave us? It leaves us the choice, as far as British Columbians are concerned, between the A and the B. I know that an amendment has been moved and that the medical expense is to be, I take it from the amendment, the total amount of medical expense. We have that, of course, with regard to expenses over 3 per cent.

I have not made any study of the figures in order to calculate how many persons would benefit to any great extent by being allowed to deduct the total amount of their medical expenses, but I would just point out this feature. In my opinion, the principle underlying this matter is that we are all obliged to make some provision for what might be called the ordinary expenses of living, and included in that category is a certain reasonable amount which we should set aside for health purposes and medical expenses. That is why a limit has been placed upon the amount to be deducted for income tax purposes, and it has been gradually reduced from 5 per cent to 4 per cent and now to 3 per cent. It seems to me that to allow all of it would defeat what I think is a good theory, namely that everybody should be encouraged to provide for his own well-being up to a certain reasonable amount, and that it is only when disaster or a large bill from a serious illness strikes an individual that he should be allowed to make a deduction for income tax purposes.

The objection I have to the suggestion that deductions be allowed for premiums on insurance policies in connection with sickness or accident is that I can visualize the tremendous amount of bookkeeping that would have to be taken care of in the income tax department if every person who carries a sickness and accident insurance policy is permitted to show his vouchers with his income tax return.

Once again I suggest that this is, as I said a moment ago, one of the normal expenses of living. If the hon. member were to concentrate on the Minister of Finance (Mr. Harris) with regard to the first item and have that 3 per cent gradually reduced as he feels able to do so, I suggest it would be more in line with what the hon. member desires.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, we in this group had intended to support the spirit of the original resolution. We are happier now to support it as amended because the amendment has led, in our opinion, to a clarification. We in this group feel that illness is something over which no individual has any control, and that when illness strikes the home the net income of that home depreciates. For that reason we feel that individuals who see fit to provide against any future illness through insurance schemes or hospitalization schemes should have the privilege of reducing the amount of their premiums at least by their income tax deductions.

We should also like to point out that, as far as the people of Alberta are concerned, we soon hope to be under a complete system of hospitalization and medical service under which a definite amount will be charged on a voluntary basis to families and individuals who wish to come under the scheme. It is for that reason that we support first the amendment to the resolution and, second, the spirit of the resolution itself.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to say a few words in support of this resolution as amended, and I base them really on the fact that what it is trying to do is help those who help themselves. I realize that there may be some difficulties connected with it. I realize the difficulties raised by the second last hon. member who spoke with regard to certain aspects of taxation. Nevertheless I, along

with the hon. member for Winnipeg North Centre, feel that I am in sympathy with the spirit which prompted the moving of this resolution.

I spoke about helping those who help themselves. In the last couple of generations —and I suppose in the last generation particularly—we have seen an absolute transformation in the extent to which the state looks after people. That situation has developed with the approval of everybody. It has now gone to extraordinarily comprehensive lengths. For example, I learned today that company retirement plans prevail in respect of 70 per cent of industrial employees.

Let me put it differently. Seventy per cent of industrial employees are in companies where there are pension plans. I am not sure whether that is exactly the same as saying that 70 per cent of employees are participants. No doubt that is roughly true. We look back not so far to the Victorian days when the principles of laissez faire still applied, and when the most high-minded and humane people could tolerate things which now seem to us to be almost incredible. They could tolerate little children working long hours; they could tolerate women doing heavy work in mines underground, and all the other things we know of. I need not take time to enumerate them. We all know also how that sort of thing was finally done away with under the influence of Charles Dickens and innumerable other people whose names are well known. As I said a moment ago, we know how the situation has changed.

On the other hand, I think it is desirable for us to remember that this change was possible, and is still possible, only because in a large department of life we have individual effort keyed up to its highest pitch. These pension plans of which we speak, and which are now so widely accepted in industry, are possible to their present extent only by reason of the most intense individual effort and by reason of the competitive system under which we live. I therefore come to the point I wish to make, namely that I welcome this amendment because it is an attempt to help those who help themselves.

I am going to do something which I very much dislike doing. I am going to read at some little length from a speech made two years ago by the head of a life insurance company, namely Mr. W. M. Anderson of the North American Life Assurance Company. This speech was made in February, 1954. From it I want to read a few sentences which argue the case for tax concessions to those who try to help themselves by means of insuring health. I apologize again for the reading:

> . . . The fact that health insurance premiums are not counted in determining the amount of exemption means that there is no tax inducement as in the United States to purchase health insurance coverage.

I should like to interject here that it seems no matter how much we are able to do through the state, no matter how much the Minister of Finance is going to announce to us later in the session, nevertheless there is always a great area in which people will be better off if they are able to do things to help themselves. It is for that reason I am in sympathy with this resolution. I continue to quote:

> This point is of particular importance in the case of persons in the lower tax brackets—

I think that is very important to remember.

> —where adequate health insurance coverage may cost more than 3 per cent of income of itself. It is interesting to note that the American concept if applied in the context of the Canadian 3 per cent floor would have the effect of providing a tax inducement to purchase voluntary health insurance coverage which would be of greatest value in the lowest tax brackets. Thus the American concept has the effect of encouraging the purchase of health insurance in the very income groups where protection is most needed.

I should like to interject for a moment that it seems to me it is these "catastrophic" costs we should be trying very hard to devise a means of meeting. I continue to quote.

> Life insurance companies form but one of a number of types of organization which provide voluntary health insurance. However, the life companies in their life insurance and annuity business are already in continuing contact with most of the families and employers in the community. They have a well developed corps of life underwriters and well organized collection and claims administration procedures all of which are conducive to the efficient operation and expansion of voluntary health insurance. Furthermore, they have substantial resources to guarantee the fulfilment of their contractual obligations in this field. In the United Sattes the companies provide health insurance as an integral part of their overall operations and in recent years there has been a very rapid expansion in this phase of their business and in the number of companies engaging in it.

Then Mr. Anderson says:

> It seems to me to be a great pity that Canadian law severely restricts the operations of the Canadian life insurance companies in this field.

Then he goes on to point out the way in which they are restricted. I want to interject here that I realize there are two sides to the argument on this point. At the present time the authorities do not feel that they want to allow the companies to venture too much of their purely life insurance funds in this

other field. I quote the next passage in the light of that fact.

If a Canadian company wishes to engage in the health insurance business it must establish a separate fund with separate assets and it has only a very limited privilege of transferring capital to this separate fund from its life fund. This restrictive legislation makes it awkward for a Canadian life insurance company to administer health insurance business in conjunction with its general life insurance affairs. As well as this, since the separate fund must stand on its own feet, the general resources of the company are not available either to finance the expansion of health insurance business or to guarantee the fulfilment of health insurance contracts except by the transfer of further capital to the separate fund.

This situation is particularly unsatisfactory in the case of a mutual life insurance company like our own. The transfer of $100,000 with which we established our separate group health fund, represented the statutory upper limit of capital which we can provide for our health insurance business. As a consequence we are forced to conduct this business in a strait-jacket—as if we were a newly organized and very small company. We must be extremely careful to make sure that we do not expand too rapidly and that the business which we transact does not involve significant loss. It seems to us that the legislation as it now stands is preventing our company and others in like circumstances from acting in a manner which we feel would be conducive to the best interests of you as policy owners and of the communities in which you live.

Then he says:

May I express the hope that the recently enunciated American attitude of encouragement of voluntary health insurance may find its counterpart within the councils of our own government, and that in consequence the Canadian life insurance companies may be allowed to take their proper share in the difficult task of making voluntary health insurance a satisfying answer to the problem of financing medical care costs.

I have read that at some length, Mr. Speaker, because it seems to me relevant. I am glad the minister has been here and has been listening, because the point which is raised by Mr. Anderson is very important. The fact that the department has a different view indicates that experts may differ, but it seems to me that the argument made by Mr. Anderson is worthy of consideration, and I hope it will have further consideration.

Recapitulating what he has said, therefore, which is that he feels we might go further along the same lines as the United States has gone and give a greater incentive to people to look after themselves in the way of individual health insurance, I repeat that I am prepared to vote for the resolution as amended.

Mr. C. W. Carter (Burin-Burgeo): When I read this resolution, Mr. Speaker, I came across the same difficulty of wording as that described by the hon. member for Winnipeg North Centre (Mr. Knowles). When one comes across the word "either" included in a resolution, it generally indicates that there are two alternatives, one or the other. This resolution had three alternatives.

I thought perhaps the hon. member for Winnipeg South wished to convey the idea in this resolution that the Income Tax Act be amended to provide that the taxpayer shall, at his option, be entitled to deduct from his taxable income, in addition to his medical expenses as now determined, that is in addition to the excess over 3 per cent, either the premiums paid by him for insurance against sickness or accident or both, or the specific provincial tax paid by him under any provincial scheme of health insurance.

I believe we all agree with what the hon. member for Greenwood (Mr. Macdonnell) has said, that even if we cannot accept this resolution we can all sympathize with the spirit which prompted it at this time. The hon. member for Winnipeg North Centre has introduced an amendment to this motion by way of clarification. I must confess that personally it does not clarify it very much. If I understand what the amendment means —and I must say that the hon. member read it rather quickly and I was unable to follow it closely while he was reading it, and I have not had an opportunity to study it since—a person, under this resolution, would be entitled to include in his deductions all his medical expenses; that is, doctors' bills, hospital bills, and so forth, and all the premiums he might pay under any hospitalization plan, and any provincial tax he might pay under any provincial scheme of health insurance.

We all know, Mr. Speaker, that there has been a good deal of talk about a national health insurance plan. I think we are all looking forward to the day when such a plan will be introduced. But we all know that such a plan will cost money. In fact it has been estimated that in its initial stages it will cost at least $180 million a year. Much as we would like to see an income tax reduction, in the face of such expenditure on health insurance it hardly seems possible that we can expect to have both; that is, to have a national health plan costing $180 million and at the same time have our medical expenses included in our deductions under the Income Tax Act.

In introducing his resolution the hon. member for Winnipeg South emphasized the point that premiums paid on insurance plans are premiums paid in advance, and that would justify having them included in income tax deductions. But if we include those premiums in our deductions when we pay them, and include them again when we incur them, then

that means a system of double deductions, and I do not think that is what the hon. member intended.

Mr. Trainor: Will the hon. member permit an interruption? Nothing in the resolution or in the amendment makes any such assertion. It gives the option of one or the other, not both.

Mr. Carter: Mr. Speaker, when there is an option included in the Income Tax Act it is specified in certain ways by using the words, "whichever is the greater", or "whichever is the lesser" as is desired. It is quite possible that a person may be worse off by including his deductions than he would be if he just took advantage of his present deductions under the Income Tax Act.

Mr. Trainor: Could you not leave it to the judgment of the individual taxpayer as to whether he is better or worse off?

Mr. Carter: If the hon. member intended that, there would have been no harm in his putting in his resolution the words "whichever is the greater". There is no law to prevent him from including those words in the resolution or in the amendment.

The idea of including in the deductions the premiums paid for a health insurance plan is not altogether sound. I will explain why. A few days ago I was talking to a friend of mine, and we were discussing medical expenses. My friend referred to an illness which one of our mutual friends had suffered. In relating the story to me he made a statement which really startled me. He said, "You know, our friend made about $1,000 out of that sickness?" That struck me as being rather strange. I said, "How on earth could a person make $1,000 out of being sick?" He said: "He had at least two, and perhaps three, insurance schemes. The amount he received from one of those schemes was just about enough to cover all his expenses, and the income from the other two plans amounted to $1,000." If we carry this resolution as introduced by the hon. member today we will actually be exempting the person from income tax on income he makes, and thereby increasing his actual income.

Mr. Nickle: How many Canadians are there who would be paying for more than one health insurance policy?

Mr. Carter: I really do not know, but there are a good many. I am paying for three.

Mr. Knowles: Many do not have even one.

Mr. Carter: I know a good many who are paying for two.

Mr. Nickle: You are a capitalist. It is like a life insurance policy. If there are more than one, your estate may collect on more than one, but you are not going to benefit.

Mr. Carter: No. There are many life insurance plans which you can take out today which will pay no matter what you receive in other benefits. There are many of those, and I happen to have one of them at the present time. In addition to that, Mr. Speaker, there are other plans of health insurance which pay actual income. They pay $25, $50 or even up to $100 a week while you are sick. I do not think it is the intention of this house to exempt any person from paying income tax on actual income.

In the course of his speech introducing the resolution the hon. member for Winnipeg South emphasized the point that this would benefit the small taxpayer. He said that the greatest number of taxpayers in Canada are in the $5,000 to $6,000 group. I am not going to quarrel with my hon. friend's statement, but I mention it only to point out that there is also another large group who do not pay income tax at all.

Mr. Knowles: How many health insurance policies have they?

Mr. Carter: I do not know. Some of them have health insurance schemes under provincial governments. That is so in my own province, where there is quite a good health insurance scheme at a fairly small premium. I do not know how perfect the plans are in other provinces, but I think that foremost in our minds should be those who pay no income tax at all. Even though the burden may be great on the $5,000 to $6,000 group, the burden on those under $5,000 and those under $3,000 is infinitely greater. If we are to carry out our policy toward them I think we cannot do much better than we are doing at the present time in providing an exemption for expenses in excess of 3 per cent of income.

The hon. member for Vancouver South and the hon. member for Victoria (B.C.) have also pointed out that the alternative of including in your exemptions taxes paid to a provincial government is the equivalent of placing the federal government in the position of financing provincial insurance schemes. I agree with the hon. member for Vancouver South that this is a very poor alternative and not a very wise one.

Mr. W. G. Blair (Lanark): Mr. Speaker, I rise to support the motion of the hon. member for Winnipeg South and in my opening remarks I should like to draw attention to what seems to have been missed by the house, namely the words "at his option". It is clear that a man might pay $50 on a health

insurance plan for his family, but if the bill only amounted to $10 for the previous year he would be apt to deduct the $50. However, there is such a thing as a catastrophe happening in a family and I note that the hon. member includes in his resolution the words "as now determined".

There was a case that received some attention in the press, of a man in the east who spent some $600 or $700 on oxygen for his wife. It was highly necessary and had to be done, but at the present time such an expense does not come within the rules of the Department of National Revenue. But let us reverse the situation. It is easy to say that these things should be deducted, but if we reverse the situation we see how difficult it is for a man to pay income tax on the costs of a catastrophe that has already happened.

In the case of the man who had the bill of $600 or $700 for oxygen, even if he were not in the group the hon. member has mentioned he had to pay income tax on $600 or $700 that it was necessary for him to spend in order to keep his wife alive. So far as the buying of insurance policies is concerned, one might put it this way. A man buys a health insurance policy, if I may be permitted to use that term, in preparation for a catastrophe that may happen. One might say that he anticipates something happening, or one could go further and say that he is safeguarding his family and himself as the wage earner from a catastrophe of that type.

I think the resolution moved by the hon. member for Winnipeg South is a good one, and that the amendment moved by the hon. member for Winnipeg North Centre merely clarifies it. If there was any doubt in the mind of any hon. member as to what is provided for in the resolution I think the amendment has clarified it; therefore I am very glad to support it.

I believe that the provision of an option is a good point. A man has the right to determine which amount he will deduct. It was said that the department would be involved in a lot of work and difficulty in determining the proper figures, but I believe it would be a very easy matter for the department. A man would only have to do as he does at the present time, submit his receipts with his income tax return. There would be very little difficulty in so far as that is concerned.

I think every hon. member should support the resolution because sickness expense is something entirely different from any other class of deduction. The hon. member who has just taken his seat brought up the question of somebody making money out of sickness. I have never known any person to do so, but if he does happen to be well covered it takes a lot of money to meet the payments.

I am glad to support the amendment because I think the point is well taken. I am glad to support the resolution, and I commend it to members of the house.

Mr. A. R. Lusby (Cumberland): Mr. Speaker, I should like to make a few comments on the subject matter of the resolution and the amendment. My thoughts on the matter were, of course, originally directed toward the resolution, but I think they will apply equally to the amendment that has been moved.

In commenting on the matter I must say I am fully conscious of the fact that the mover of the resolution is a member of the medical profession; consequently I think it is fair to assume that perhaps he has more personal knowledge of the difficulties encountered by people because of the expenses they are occasionally subjected to through sickness. He possibly has more personal knowledge in that regard than other hon. members who, though we may be members of equally noble and learned professions, do not come directly in contact with such matters.

Perhaps it is not entirely amiss for me to say that in the course of my own professional dealings I have occasionally been employed by medical friends to collect for them bills from various debtors, and I should like to pay this tribute to the medical profession. I think it has some relevancy to the subject matter. I find that uniformly they are always willing and eager to extend the utmost consideration to any poor or handicapped debtor who wishes to pay his bill but for some reason is not able to do so. I should like to pay that tribute to the members of the medical profession.

The subject matter of the resolution and the amendment is one that of course has a very definite appeal to the people of the country and their representatives in this house, because it has in mind providing a measure of relief for certain taxpayers, those who can bring themselves within its provisions from time to time. As I say, that is something which has a very definite measure of appeal, like any legislation extending benefits to the people of the country.

Of course, the two points have to be considered one against the other because, as we all know, the source of all moneys expended by the government for the benefit of the people is the taxpayers of the country. In this case if the relief to be afforded is to have any substance at all it of course involves the taking away of a certain amount of revenue from the federal treasury. I believe the hon. member who moved the

resolution stated that it would not deprive the treasury of any material amount. That may be so. I have no figures and I have not heard any as to what amount might be lost. None the less I think we should assume that if the resolution is to provide any substantial relief a substantial amount will be lost to the federal treasury. I think we must keep that in mind in weighing the benefits of this resolution.

Many of these policies for sickness and accident insurance provide not only for the payment of actual out of pocket expenses but for a guarantee of income. Of course it is not suggested that this income should not be subject to income tax, but the premium a man pays contains in part a provision for insurance against that loss of income. I think that factor should be carefully considered.

As I say, we must remember that this would constitute a drain upon the federal treasury. Possibly the chief objection I have to the resolution and the amendment at the present time is in the timing. As we all know, the federal government has proposed a sweeping nation-wide scheme of health insurance which is under consideration by the various provinces. Undoubtedly that is going to be of the greatest benefit to the people of this country. Unfortunately it is also going to cost the taxpayers of this country an extremely large amount of money. I think the estimated figure was $180 million, but the mover of the resolution mentioned a sum of $182 million. If past experience in these matters is any criterion it is most likely that the amount will be even higher than has been estimated. Consequently I do not think this is the time when this measure should be adopted by the house.

We do not know what effect the health insurance scheme when it is finally put into definite form and comes into force will have upon the various private schemes for sickness or accident insurance, or indeed upon any provincial health insurance scheme which is now in effect. It may very well be that when our dominion-wide health insurance scheme comes into effect we will find that things are not as visualized by the movers of the resolution and the amendment. It may be found that the need for this resolution has been largely done away with by the coming into force of the national health insurance scheme.

As I said before, this motion taken as a matter of theory naturally has a great deal to commend it, and I should like to congratulate the mover upon his presentation of the case. I know that he has at heart the welfare of the people it is proposed to benefit. Nevertheless, in view of the imminence of our national health insurance scheme and the probable cost of that scheme to the taxpayers of this country I repeat that I do not think this is the proper time for the house to approve this measure.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, after listening to the hon. member who has just resumed his seat I have come to the conclusion that he is a victim of semantics. Because the government has persistently referred to its proposed or projected measure as health insurance the hon. member appears to think it is really a health insurance plan, when of course it is an extremely limited plan covering only hospitalization. If he would refer to the resolution before us he would see that it relates specifically, among other things, to medical expenses which would not be affected in any way by the hospitalization scheme which the federal government is said to be considering and which the Liberal party of course has been considering for over 37 years. The main thing is that it certainly will not cover the expenses that are referred to in this resolution.

An hon. Member: How do you know?

Mr. Cameron (Nanaimo): Because we have been told that it is going to be a hospitalization scheme when it comes through, in spite of the government's persistent reference to it as a health insurance scheme, a very bad misuse of words in my opinion.

There were two comments made this afternoon by my fellow British Columbian, the hon. member for Victoria (Mr. Fairey), to which I should like to refer. The first was the question of estimating the amount that is paid on behalf of a citizen of British Columbia by the government of British Columbia under the present hospitalization scheme in that province. As the hon. member pointed out, in British Columbia hospitalization is financed by an increase in the sales tax from 3 per cent to 5 per cent. While it is true that the funds for paying these hospital bills are derived from the sales tax, nevertheless I think—the hon. member can correct me if I am wrong, or any other British Columbia member can do the same—it will be found that the scheme is still operated technically as a hospitalization insurance scheme, and that the administration of the hospitalization insurance plan is provided with a sum of money by the government which is an actuarial estimate of what would have been paid into the fund by the citizens of British Columbia had the old premium scheme been maintained.

Mr. Fairey: I certainly do not agree with the hon. member. I think the amount placed in the estimates by the province of British Columbia is based upon the cost of the hospitalization, not the sum total of the premiums paid by the individual citizens.

Mr. Cameron (Nanaimo): It is the same basis upon which the premiums were estimated under the earlier scheme. The idea was to provide sufficient funds to pay for the hospitalization. I do not know whether it would be possible actuarially to estimate the amount paid on behalf of each citizen of British Columbia, but I do suggest that there are enough provincial schemes, one in particular, in Canada now in effect to enable the federal government to estimate with fair accuracy the amount that has to be paid on behalf of each citizen for hospitalization. Therefore the point the hon. member was bringing up in objecting to the scheme could well be covered by including in the legislation authority to make allowance in the case of residents of British Columbia of an amount equivalent to what would be paid under the hospitalization scheme operated under the premiums.

There is another point which was raised by the hon. member for Victoria (B.C.) which I think should be dealt with. He suggested that rather than proceeding with the scheme as outlined in this resolution and the amendment we would be better advised to urge on the Minister of Finance a lowering of the present floor for medical expenses to be deducted for the purposes of income tax. I am sure that is a most sensible suggestion. The hon. member almost indicated that if we just agitated a little more the soft heart of the Minister of Finance would be effected to such a degree that he would agree to this.

That is a very sound idea, but the curious thing is that no longer ago than January 30 of this year the hon. member for Victoria (B.C.) had an opportunity to urge in a very effective way precisely that course on the Minister of Finance, when this house voted on a resolution introduced by the hon. member for Winnipeg North Centre that would have had precisely that effect.

Mr. Fairey: Was not that resolution to eliminate the 3 per cent entirely?

Mr. Cameron (Nanaimo): Yes. On page 682 of *Hansard* of January 30 we find that a vote was taken and I find included among the names recorded under "nays" the name of the hon. member for Victoria (B.C.). I suggest that it is not good enough for government members to imply that they are in favour of a course of action which their vote in this house does not fulfil. If they believe this should be done, why do they not take advantage of the opportunities that are presented to them on the floor of this house. I would like to know how the hon. member for Victoria (B.C.) would be able to tell the citizens of Victoria that he is in favour of this elimination of the 3 per cent floor, when he has not—

Mr. Fairey: I did not say that. I deny that I said that at all.

Mr. Cameron (Nanaimo): My hon. friend has suggested that what the hon. member for Victoria (B.C.) said was that it should be whittled away. Of course it depends on how big a slice we are going to take with the whittle. We have decided to whittle the whole thing away. It might be possible yet for us to meet the requirements of the hon. member for Victoria (B.C.) and suggest a whittling resolution, and see whether his resolution would be strong enough to enable him to vote for it.

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

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I appreciate the comments that have been made during the course of this debate, and perhaps I could pay attention to the last one first. The Minister of Finance does receive throughout the year many representations about the manner in which he may collect and disburse the moneys in the public treasury. One of the most frequent that are placed before him is in the matter of deductions from income tax. Everyone seems to think we can make a special rule for a special group of people, instead of taking what I think the other side ought to be, namely that if you are able to reduce taxes you reduce them for everybody, and then the special reason is taken care of in doing that.

If I do not make myself clear, I would repeat that last year we did reduce taxes. We reduced taxes very considerably in the budget of 1955. Yet my hon. friends present motions intended to reduce further the income of the treasury because a particular group of people should have consideration of a particular kind. As a general principle I think the latter is wrong.

I admit that there are reasons why exceptions should be made, and we do in fact make the exception with respect to medical expenses over 3 per cent. But in principle I think most hon. members ought to agree with me that it would be better to have a general tax system in which there would be gradations of tax, of course, but that any changes in the tax system ought to be of a general rather than of a particular nature. In this specific instance—

Mr. Knowles: Is that what you are planning for this year?

Mr. Harris: I am hoping that anything I say cannot be construed as other than an abstract, philosophic approach to the problem. In this particular case we were being asked by the original motion to establish an option on the part of the taxpayer with respect to three particular forms of contribution that might be made by him in the medical field. By the amendment they have been limited, as I understand it, and that amendment has been accepted by the original mover of the motion.

As I understand it, one of the options has to do with any premium or tax paid by him for insurance against sickness or accident or under any plan of health insurance. This, I understand from the elaboration by some of the speakers, has to do with the payments made presently in some provinces and the payments that may be made in the future in other provinces, where similar payments are not now made.

I have no figures to give the house as to what this may mean by way of a charge on the public treasury, though it is quite obvious that the hon. member for Victoria (B.C.) has indicated at least one weakness in that particular option, that in the province of British Columbia there would not be, unless we established an arbitrary rule of some kind, the opportunity to take that particular option.

Mr. Pearkes: We would not want to be dogs in the manger about it.

Mr. Harris: I realize that my hon. friend, being the generous gentleman he is, would not be a dog in the manger. All he would expect, I think, would be that if this resolution carried the government would, in addition to granting these deductions in other provinces, establish an average for British Columbia and grant it whether or not the person might contribute that much in sales tax during the year.

Mr. Knowles: Fair enough.

Mr. Harris: My hon. friend from Winnipeg North Centre says, "Fair enough". That indicates to me that he does not give very much thought to the real responsibility that is behind a motion of this kind. As I say, I am not in a position to give figures as to the cost to the public treasury of this particular motion, but I have been impressed by what has been said by those speakers who have mentioned the proposal we have made to the provinces with respect to hospital insurance.

I shall not bandy words with my hon. friend from Nanaimo as to whether this is a health plan or a hospital plan, or as to what it may be or what it may become, because once again I do not propose to go beyond what has been said in public about that particular plan. But it must be clear to everyone in the house that the obligation which this government placed upon itself in making that offer is of the magnitude that has been mentioned by government members, and perhaps by other members as well. That obligation is one that is greater than the deficit we anticipated last year when I delivered my budget. It is not a small sum of money; it is a sum of money which takes a good deal of taxation to collect.

Therefore, while I realize that hon. members who make these speeches have no responsibility for imposing the taxation involved, nevertheless it does seem to me that they, in their responsibility as members, might take that into account when they consider the results that would flow from this type of motion.

May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Harris: Mr. Speaker, we were discussing the position of the taxpayer in British Columbia who, if this motion were to carry and become part of our tax laws, would not be able to claim a deduction similar to that of a taxpayer in other provinces except by an arbitrary decision of the taxing authority as to how much he ought to be allowed with respect to the amounts he might pay in sales tax during the year. When the position is stated in that manner I think it will indicate the weakness in the motion and the weakness in the theory behind it, because you could not import into a taxing law a distinction of that kind.

The same situation applies in a somewhat different manner in the province of Saskatchewan, where the contributions toward a health plan, as I understand it, are made by way of a general tax for about 50 per cent of the cost and, with respect to the remainder, by way of a charge on the taxpayer, through the municipal corporation, attached to the property he may own. It would be easy to arrive at the amount that gentleman might be entitled to claim to the extent of the direct charges that may be imposed upon his real estate, but it is equally difficult to estimate the amount that might be contributed by him in the percentage of the cost which the general treasury collects by the taxing methods they have adopted.

If in another province the first option were adopted—and we shall take the province of Ontario, because at the moment in Ontario there is no contributory system of health or hospitalization insurance—say in Ontario under the first option the taxpayer could claim in full the amount of the Blue Cross plan or any similar plan. That might be $50 to $80, perhaps, depending on the type of plan he chooses; whereas the taxpayer in Saskatchewan might have a charge of $10 to $12 to $15 which could be proven—

Mr. Campbell: There is no land tax.

Mr. Harris: I beg your pardon. It is collected through the municipal corporation.

Mr. Campbell: It is education tax and hospital tax.

Mr. Harris: Quite so. The taxpayer in British Columbia would not be able to prove any sum at all. Not being a resident of British Columbia I could not say definitely about this, but it is not likely that claims under the Blue Cross in that province would be equal to those, for instance, in the province of Ontario. It must therefore be obvious to hon. members that even if the hon. members who moved the amendment to this motion have something in mind by way of relief for the taxpayer, they are adopting a method which, if I may say so with respect, would require a good deal of refinement before it could be effective in a manner that a taxing law ought to be effective.

The situation with respect to deduction for medical expenses is comparatively simple. As everyone knows, the taxpayer whose medical expenses exceed 3 per cent of his income may deduct the excess. Three per cent may or may not be the average expense of the average resident in Canada; it is probably somewhere about the average expense. It seems to me that the motion and the amendment would in effect say that the federal treasury should permit a deduction about equivalent to the cost of medical services to the average taxpayer in Canada. I take it that is probably the intention of the mover and seconder of the resolution. But let me point out that however difficult it may be for taxpayers generally to meet their medical bills and their taxes at the same time, it would be unusual to say that this particular type of personal expense should be exempt in addition to all others.

As everyone knows, the exemptions are more generous in Canada than anywhere else, I believe. At any rate, I made that statement last year—I think it was in the budget address, Mr. Speaker—and I do not recall anyone suggesting that I was wrong. The exemptions granted under the income tax law are intended to provide not by any means an estimate of the cost of living of a single person or of a married man with a family, but a general exemption to cover the normal expenditures that we think we can allow from the standpoint of the needs of the treasury and of the taxpayer. This type of expenditure is, of course, included in that exemption by way of computation.

The hon. member for Greenwood spoke of extremely heavy costs and, as I understood him, he said he felt that those ought to be given special consideration. They are, of course, given special consideration. If one has an extremely costly medical experience during the year it will in fact run over 3 per cent, and will then be deductible for tax purposes.

Of course it depends upon the income of the taxpayer as to how much of that expense is borne by the public treasury. We, of course, have people of modest income who have heavy expenses, just as we have persons of average or higher than average income who have medical expenses in that extraordinary range as well. But if we accept the 3 per cent figure as an average—though I am going to say that at the moment I do not quite understand how this motion would fit in with the 3 per cent—as I understand it the purpose here is that there would be an option to deduct the contribution to a medical scheme or the contribution to a provincial government medical scheme of some kind.

It may be noted that these contributions are made either to a co-operative association or to a private association in the business of providing insurance against these particular expenses. It is to be supposed that even in the case of the co-operatives they are trying to keep their income about equal to their outgo plus the cost of administration, with perhaps a margin for reserve, but not a great deal in that respect.

The profit organizations, on the other hand, would probably try to get their income high enough to include their outgo, their administrative costs and a profit to boot. But let us suppose that these organizations, on the whole, do not charge much more than the cost of doing business. It will be seen then that if we allow as a deduction the contributions to those organizations, we are in fact allowing the deduction of the medical costs of people throughout Canada in that particular year. While some hon. members would still feel that ought to be so, I suggest it is not possible to make it so at the present time, at least under our income tax laws.

Mr. Trainor: Do you think competition would look after that?

Mr. Harris: No, I think my hon. friend has missed my point. I am sorry; I will try it again. If all these organizations are running at a cost about equal to what they have to pay those whom they have insured, and their administrative costs, their income then by way of contributions from members of the association would about equal the medical costs which they pay. Therefore my hon. friend, by suggesting those costs should be tax exempt, is in fact suggesting a tax exemption for the medical expenses of all Canadians. If my hon. friend will consider it for a moment he will see that to the extent these sums of money represent the actual cost paid by these associations, they are the costs of the several thousand people who are in the associations during any given year.

Let us consider, then, Mr. Speaker, the situation with respect to the 3 per cent. As I say, I take it the amendment moved by the hon. member for Winnipeg North Centre has rather shifted the emphasis away from that. Perhaps I could ask him at the moment, but I take it that these deductions would be in addition to the deductions over the 3 per cent.

Mr. Knowles: May I answer the question? Yes, that was the intent of my amendment. I went no further than that for the obvious reason that if I tried to interfere with the 3 per cent floor in this amendment I would be told the house decided that question on January 30. My point of view on the 3 per cent floor is still the same as it was on January 30.

Mr. Harris: We have then, as I understand it, a situation in which we are asked to exempt the contributions paid into a fund, while we are exempting as well the payments out of the fund when those payments exceed 3 per cent.

Mr. Knowles: But not both in the same year.

Mr. Harris: That is just the point of my question a moment ago.

Mr. Knowles: I am sorry. If I might interrupt further, I thought the minister's question a moment ago sought to clear the air with respect to our position on the 3 per cent floor. As to whether or not the amendment asks for both deductions in the same year, the amendment is clear in that it presents an option between (a) and (b). One option is any amounts paid for the taxpayer out of a fund and the other is the premiums he pays in.

Mr. Harris: I am sorry I misunderstood the hon. member, then. He has cleared up what I thought was an unusual situation in the motion before us. It will be seen, however, Mr. Speaker, that if this motion were to carry it would be impossible, as I said a while ago, to estimate the cost to the public treasury. I know that hon. members opposite will say there will be no cost to the public treasury because the motion calls for consideration by the government of the suggestion put forward.

On that point we had a rather unhappy experience in recent years. There was a time in this house when private members' day was an occasion on which private members might bring forward any motion or bill they had in mind which would benefit the people of Canada. There was a certain practice, and I would use the word "courtesy" as well, that when the hon. member who presented the motion had made his argument, it was generally permitted to pass in the sense that it did not involve the government. It was merely an expression of opinion by this particular hon. member that this was something he felt should be said, and that all hon. members ought to be in the same position and the same consideration should be given because, in fact, they are hon. members and this is an idea they would like to put forward.

Mr. Knowles: How many times since the end of world war II have such motions been allowed to pass?

Mr. Harris: I could not say at the moment, but I will take your word for it.

Mr. Knowles: Not very many.

Mr. Harris: But times seem to have changed. Instead of having that type of motion, we now have motions which require the government or suggest the government should give consideration to the proposal, and on the one occasion we tried this out we were told after the event that the house had, in fact, decided this ought to be done. This was a departure from what had been the case in former times, if not immediately before that event occurred.

The government is put in the most awkward position of not being allowed, without some detriment, to extend to hon. members opposite the courtesy of permitting an argument to be made and allowing the matter to rest at that point. For that reason I approach this motion in the same light that we have approached other motions since this unhappy incident I mentioned, and feel that the government has to take—

Mr. Knowles: Unhappy on your side.

Mr. Harris: It was not unhappy on our side. I have a clear recollection that the parliamentary assistant to the then minister of finance stated that because the motion asked the government to give consideration, the government would in fact do so. I have a clear recollection in the following session, or even later in that session, of being told by the opposition that parliament had decided this particular matter ought to be done.

Mr. Trainor: Did you believe that?

Mr. Harris: I did not believe it, but I think it is unworthy of opposition members to suggest it under the conditions under which the motion was allowed to pass.

Mr. Trainor: Why worry about it if you do not believe it?

Mr. Harris: I have not many worries about the opposition generally, but I have some worries about my position as Minister of Finance, sir. So long as we are placed in that position we are bound to consider what we ought to do when a motion of this kind is presented. If we reject the motion it would not indicate that the Minister of Finance or anyone in this house, did not consider this was worthy of consideration. Every form of relief for the taxpayers of Canada is a matter for consideration, and should be on all occasions.

On the other hand it would be unwise to draw any conclusion from a motion which was adopted that the government felt it ought to follow that particular motion immediately, or even in the distant future. For that reason, sir, and particularly because at the moment we have under consideration a health or hospitalization scheme, which as I have said before is going to be most costly to the federal treasury, it seems to me that all matters having to do with medical expenses and income tax in connection therewith should not be decided affirmatively.

For that reason, sir, I am going to suggest that while I intend to vote against this motion, it is only because of what has already occurred and of which I have given an example, and it does not indicate that we are not giving careful consideration to all matters which affect the taxpayer, especially those who are obliged to spend considerable sums of money with respect to medical expenses.

Mr. F. A. Enfield (York-Scarborough): Mr. Speaker, hon. members will forgive me if I am a little repetitious in my remarks. At this stage of the debate one is bound to repeat arguments that have been so ably made already by hon. members who have spoken. However, I do want to say a few things about the resolution. I think the mover, the hon. member for Winnipeg South, is to be congratulated on his thought-provoking resolution. Certainly the discussion that has taken place has been to me at any rate most valuable, though I do not think I can agree with the premise, or the principle, on which the hon. member acts.

What is the principle behind his resolution? Well, he said the principle was that the individual be allowed to include in his tax deductions all prepayments for medical expenses. He said the taxpayer could now include medical expenses up to a certain point, but not any prepayment. He pointed out that he thought this would be important to the small taxpayer particularly.

I think he more or less presupposes that we are all in agreement with the real underlying principle of a resolution of this kind. The underlying principle is that there should be a reduction in taxes. This of course puts the discussion on a much broader basis.

With respect to the hon. member, I would have hoped that when he introduced his resolution he would have given us a better case on which we could base our judgment, first of all as to whether a reduction in taxes was necessary at all at this time, and second, whether this was the best type of reduction to make in the circumstances.

Naturally we would all like to introduce measures that would reduce taxes. It is very nice for the taxpayer, a very popular and very pleasant thing to do. I am sure the government was most happy, when the budget was brought down in March of 1955, to pass on a considerable reduction in taxes to the taxpayer, but it is not always easy to decide on the best method of reduction, and I suggest this resolution does not outline a particularly good method.

First of all, the resolution itself is rather confusing. A little more care could have been taken in its preparation. I again say, with great respect to the hon. member, that clause (a) sets out that he can deduct from his taxable income first of all his medical expenses as now determined. I was completely taken in by this clause when I first read it. I felt that what he wanted there was a deduction of all his medical expenses from taxes. He wanted to take off the 3 per cent limit, which was suggested in a bill brought in by the hon. member for Winnipeg North Centre some time ago.

Apparently that is not so. Clause (a) means that you can deduct medical expenses as they are now determined under present regulations. Of course if you take that option

then the principle is drained completely from the resolution. Fortunately for the hon. member for Winnipeg South, the hon. member for Winnipeg North Centre presented an amendment which does to some extent get around this defect, and it was accepted by the mover. He said you may include in your deductible medical expenses either any amounts billed and paid under a contributory insurance or hospitalization plan, as is now provided, or—and again this is an option—the taxpayer may take any premium or tax paid by him for insurance against sickness or accident under any plan of health insurance.

Clause (b) is most interesting. Presumably the resolution is an effort to assist the small wage earner. Under clause (b) you may take any premium paid for insurance against sickness or accident. This has been mentioned by previous speakers, but I should like to emphasize it. This would, of course, introduce a great inequity into the scheme because the number of policies for sickness and accident are legion. If you can afford it, you can insure yourself for any length of time against almost any type of sickness. Naturally if you were going to be allowed to deduct from your taxable income premiums paid for the most expensive type of sickness or accident insurance, then this would be an excellent way, under the proposed resolution, to gain the effect of health coverage completely at the expense of income tax, and of course not provide any particular benefit at all to the lower income groups.

I emphasize "the lower income groups" because the hon. member who moved it mentioned in the first instance that this resolution would be most important to the small taxpayer. Therefore I would suggest that in clause (b) of the amendment you have a great drawback in the wording of the resolution, and no doubt if this ever reached the point of the introduction of a bill some such limit could be introduced, or would be introduced, I imagine, to protect the taxpayer and the government against what is to me an obvious problem in the resolution as drawn.

I suggest that the resolution is too wide and too broad in its scope. If it were to be of any use at all, certainly it would have to be gone over with great care to take into account what limits one should put on the deduction concerned.

What about the resolution in the light of our pending health insurance scheme? This subject has also been dealt with in this debate. I think you can accomplish the same purpose the resolution tries to accomplish by providing a health insurance scheme on as cheap a basis as possible. In other words, instead of providing what must be a rather complicated method, a complicated set of regulations, for the deduction of certain allowances, why not say to yourself: Well, we are in a position to save the taxpayer some money. We would like to pass on the saving in as fair and equitable a way as possible. We are contemplating the institution of a national health insurance scheme. The best way to pass on the saving is to cut down the cost of the scheme. Then everybody, regardless of their position, gets a fair share of whatever saving or whatever possible tax reduction you can achieve.

To my mind the prospect of such a health insurance scheme takes away any real necessity for a resolution of this kind at this time. If you did it in that way, naturally you would be able to pass on the saving. You would achieve the same result with less work, less administration cost and less of the bureaucracy that my hon. friends in the official opposition are averse to increasing. In my opinion this would certainly achieve a better result on the whole for the lower income group.

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

Mr. Enfield: Yes.

Mr. Knowles: He is aware of the fact that the plan proposed by the federal government covers only hospitalization. This resolution discusses medical expenses generally. Would he implement the principle he is now advocating by having the government plan include medical expenses as well as hospital expenses?

Mr. Enfield: I really do not see that it would make that much difference, because whatever saving you pass along on any type of hospital insurance scheme would be money in the pocket of the taxpayer. Whether the actual scheme itself covers the whole gamut of health insurance and health facilities would not, it seems to me, make a great deal of difference.

For example, you could take the argument a step further and say that we might have a health insurance scheme to cover hospitalization, diagnostic services and medical services, the three things. You could argue whether the same principle would not apply if the health insurance scheme were carried further and covered other aspects of health problems such as loss of income during a period when one is ill.

Mr. Knowles: You are coming along.

Mr. Enfield: Well, we all hope that this scheme, if we get one, and we hope we will,

will cover a fairly wide field and that taking into account our responsibilities to the taxpayers, we will be able to broaden the scheme as time passes. The point raised by the hon. member was raised earlier by the hon. member for Nanaimo, and I noted at that time that I did not feel it really changed the principle of my suggestion.

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

Mr. Enfield: Yes.

Mr. Trainor: Is he suggesting that the cost of an over-all health insurance scheme would be at all comparable with the economic relief suggested in the resolution?

Mr. Enfield: That, Mr. Speaker, is a rather difficult question, as I think the hon. member who asked it will agree. In the light of the fact that the health insurance scheme which we are so glibly discussing is still in the process of negotiation we do not really know what it is going to cost.

Mr. Knowles: Would the hon. member permit another question? Does he realize that the health insurance scheme he is now talking about was first proposed by the Liberal party the year before he was born?

Mr. Enfield: Well, I think the hon. member is really paying me a compliment having taken the trouble to look up my birth date. However, it is difficult to know at this time what the scheme is going to cost us. I do wish I could answer the question of the hon. member, and I do wish that in introducing his resolution he had indicated to us what it would cost the taxpayers. I think we would all have been in a better position to exercise our judgment on the resolution.

Mr. Trainor: I have not been able to do that, but I suggest it would be very much less than the $182 million we have heard bandied about.

Mr. Enfield: That may be so, but again I cannot help indicating that I was rather surprised at the brief outline the hon. member gave us when he introduced what apparently was for him quite an important topic of discussion.

I was interested in an argument of the hon. member for Greenwood. He always has a very interesting little turn to add to our discussions. He said that in his opinion the resolution would help those who helped themselves. In other words he looked at it from the incentive viewpoint. He says that if you allow people to deduct this charge it will encourage more people to provide such insurance for themselves, and he mentioned that apparently somewhere in the United States of America that type of regulation is in effect. Like so many of these incentive propositions, as the proposition works out it helps everybody except the people who really need help.

He mentioned that insurance company executives were very much in favour of this idea. Naturally they would be, because it would be very nice from their point of view to get people as far into these schemes as possible in order that they would buy insurance from the companies represented by the insurance company executives. To reiterate an argument I made earlier in connection with this point, the type of people who would make the most money in dollars and cents out of a resolution of this kind are the well to do who can take out large policies covering every facet of health including protection of income, and then deduct the cost from their taxable income. Although we might help those who are willing to help themselves, I submit with great respect that on the whole I do not think we would help the main group that we want to help.

Mr. Trainor: Put a limit on it if you wish.

Mr. Enfield: The hon. member has suggested that we put a limit on it. It would appear that my remarks have perhaps added something to his thoughts on the subject. I do not believe I have any other points to raise. I think the underlying principle of whether or not we should have a tax reduction and whether this is the best way to bring about that reduction certainly needs more canvassing before we can go ahead with this type of thing. It might be better to give relief in a good many other ways, and this topic has not been touched upon at all in the debate except by the Minister of Finance.

Therefore I submit that as matters stand we are not justified in going ahead with the resolution because of the broadness of the wording, the difficulties involved in the regulation of the premium and the fact that we are in no way able to exercise proper judgment as to whether a tax reduction is possible in the light of all our other financial commitments.

The house divided on the amendment (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Argue	Campbell
Balcer	Castleden
Barnett	Charlton
Bell	Coldwell
Blackmore	Dinsdale
Blair	Drew
Bryce	Ellis
Bryson	Fulton

Gagnon
Gillis
Girard
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nicholson
Nickle
Nowlan
Patterson
Pearkes
Quelch
Robinson (Bruce)
Smith (Battle River-Camrose)
Stanton
Stewart (Winnipeg North)
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie—61.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Balcom
Batten
Blanchette
Boisvert
Bonnier
Bourque
Breton
Brisson
Brown (Essex West)
Buchanan
Campney
Cardin
Carter
Cavers
Decore
Denis
Deschatelets
Deslieres
Dumas
Enfield
Fairey
Follwell
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Harris
Harrison
Hollingworth
Houck
Huffman
James
Jutras
Kickham
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Matheson
Monette
Philpott
Pickersgill
Pommer
Power (St. John's West)
Proudfoot
Prudham
Ratelle
Reinke
Richard (Ottawa East)
Robertson
Robichaud
Robinson (Simcoe East)
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Stick
Thibault
Tucker
Valois
Weir
White (Waterloo South)—89.

Mr. Speaker: I declare the amendment to the main motion lost. Is the house ready for the question on the main motion? The hon. member for Cape Breton South. I am sure that all hon. members will wish me to welcome the hon. member back to this house. We missed him and we are glad to see him back with us.

Some hon. Members: Hear, hear.

Mr. Clarence Gillis (Cape Breton South): Thank you very much, Mr. Speaker. It is good to be back. One misses this elaborate club very much when one is away for any length of time. I know you will excuse me for occupying a little time at this point. I am interested in this particular resolution, but I did not want to speak on it while the frills were on.

An hon. Member: Who put the frills on?

Mr. Gillis: The hon. member for Winnipeg North Centre, being a little concerned, attempted to dress it up so it would make some sense, but he did not succeed in doing it very well. I know that while he did attempt to amend the resolution, he felt about the resolution and his own amendment very much as I do.

Any hon. member in the house who has done any travelling through the country in the past few months will agree with me when I say that one of the main issues in this country today is the question of national health insurance. As I see this resolution, with all due respect to its mover—it reflects his opinions—it is merely an attempt to justify the present very inadequate insurance schemes that exist in the country. Since the government has been making some serious pronouncements on the question of health insurance, practically every insurance company in the country has inaugurated a scheme of hospitalization insurance. This resolution merely attempts to amend the Income Tax Act to get a tax offset for contributions to the present insurance schemes which are not working very well.

I want to say very emphatically that every insurance company that is selling hospitalization insurance schemes in Canada is selling something it cannot deliver. You do not have to go outside this city to see it, for there are thousands of people paying into these insurance schemes who have to go on waiting lists to get into a hospital. These companies cannot sell hospital insurance when they have not the hospitals in which to put people, and they certainly do not contribute anything toward the upkeep of the hospitals.

I want to stress very emphatically that we cannot go on fooling the people of Canada

that these schemes give them hospital insurance, when the people selling the insurance have not hospitals to put them in. That situation exists right across this country.

I do not think the government can pass in this house legislation in respect to income tax for a small section of the population. In the second place, I do not believe income tax can be optional. I think income tax must be firm and must be applicable to everybody in the country in exactly the same way. This legislation, if it is passed, would be class legislation, as it applies only to those who can afford to enter into a hospital insurance scheme such as those sold today by the various insurance companies and other organizations across the country. For that reason I oppose it.

This resolution is proposed by a member of the house who is opposed to national health insurance. I heard him on a television newscast, and he emphatically made it clear that he is not favourable to national health insurance as discussed in this house on many occasions. In my opinion this resolution is merely an attempt to justify the present schemes and get the contributions to these schemes as tax offsets. If we were honest in the opinions we have expressed about national health insurance, I think we would see that something was done about it. I think the people of Canada today from coast to coast, expect the government within the foreseeable future to indicate a comprehensive scheme of national health insurance. If they do not get it within a reasonable time I think most people in this country are going to be badly disappointed.

The mover of the resolution is a medical doctor. I respect his opinions in these matters. I think he will agree with me that if there is a need in the country today, that need is to bring medical science within reach of the average person in this country.

Mr. Trainor: I suggest it is there already. I suggest it is within reach of the average person.

Mr. Gillis: I hazard a guess that one-third of the wage-earners and salary earners in this country are working below the income tax levels as far as salary and income are concerned. I am certain the hon. gentleman will agree with me that those people cannot pay present medical costs. There is only one way to get medical science to them, and that is by having those who can afford to pay taxes to support a national health scheme make medical science available to them. There is no other way in which they are going to get it.

We just cannot go on buying health insurance from private companies and then standing in queues at hospitals waiting to get in. I do not think anyone has a right to sell something they do not possess. Hospitalization is not the prerogative of private companies. They do not have hospitals. The citizens of the community, with contributions by governments, build hospitals. Many of them across the country are kept up on a subscription basis by the citizens who built them. The private companies will go into these communities and sell this type of insurance without any guarantee at all that you can get into a hospital. In every town across the country there is a waiting list of those who are buying this type of insurance.

If we are honest about this matter, I think the thing we should be discussing is, first, the abolition of the floor on medical expenses. I think people should have the right to write off the amount of those expenses. You can write off a great many things that could not be justified on as good grounds as those upon which you can justify the abolition of that 3 per cent floor. The 3 per cent floor is all right if you can write a cheque for $500 or $1,000. If you can do that it does not mean very much to you. But if you are in a bracket under which you are paying $50, $75 or $100 in taxes and you get a medical bill of $25, $30 or $45, it means much more to you; that 3 per cent relief would be of much more advantage than to the fellow who could write a cheque without any difficulty. This step would mean a great deal to the lower income groups.

I think that is the thing we should be definite about. I believe a resolution on this subject should be on that particular point, namely the abolition of the floor. Then I think we should be putting all our vocal chords to work in urging the government to try to bring medical science to the thousands of people across this country who cannot afford it.

If you are living in Winnipeg, Halifax, Vancouver, Montreal or Toronto, you have very good medical facilities. But if you are living down in the maritimes, particularly in the lower end of them 300 miles east of Halifax, or are living in some sections of New Brunswick, or on the prairies or in the far west where those facilities are not available, this is what happens. You have hundreds and hundreds of people in those communities where you have just ordinary practitioners. If you get any kind of disability that requires expert attention you are obliged to go from door to door, from neighbour to neighbour, attempting to borrow $400, $500 or $1,000 to send people over to some clinic

or big hospital in the United States, or to get them into the Victoria hospital in Halifax or the Hospital for Sick Children in Toronto. There is where you are hitting real expense and real hardship. There is not any insurance for most of those people. You borrow from your neighbour.

In the community in which I live, as in many other sections, there is not a day in the month when an appeal does not appear in the paper on behalf of someone who requires a serious operation such as a heart operation, a brain operation, treatment for cancer or a diagnosis in these expert centres. It costs hundreds of dollars for transportation plus the cost of the treatment. In many cases appeals are made in the newspapers to borrow the money in order to make that kind of thing possible.

It is true that the big centres are well provided for and that the expert attention is there. I do not think it is necessary to send any of our people to the United States. We now have the centres established in Canada, but they are not available to 75 per cent of the population in this country, and they never will be available to them until such time as the government has the courage to enact the necessary legislation. I refer to legislation which will place upon the citizen of this country who has the income the obligation to contribute by way of taxation to making medical science available to the hundreds of thousands of people in this country to whom it will otherwise never be available.

As far as I am concerned, I cannot support this resolution. I would make this suggestion to the Minister of Finance. Before his next budget comes down I would suggest that he give serious consideration to the abolition of that 3 per cent floor on medical expenses, and that he join with his colleagues in the cabinet in working out a comprehensive medical plan that will really give to the people the hospitalization and the medical science that is available in this country today.

Mr. Harris: Mr. Speaker, one appreciates the remarks made by the hon. member for Cape Breton South but, if I may say so with respect, we have launched into a different field from that in which we started. We have heard expressions of opinion from, I think, all the opposition groups and from the government side. I have made an engagement to give serious consideration to the amended resolution or motion. Of course I fully appreciate the fact that hon. members expect us on all occasions to consider the 3 per cent floor or ceiling, as you will.

Having that fact in mind, Mr. Speaker, I feel that we could usefully adjourn the debate and I therefore so move.

Mr. Knowles: The guillotine again.

On motion of Mr. Harris the debate was adjourned.

FAMILY ALLOWANCES

PROPOSAL TO AMEND LEGISLATION TO INCREASE AMOUNTS PAID

Mr. H. R. Argue (Assiniboia) moved:

That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation to provide an increase in the family allowance.

Mr. Philpott: On a point of order, Mr. Speaker; are we taking motion No. 3 in conjunction with motion No. 10, according to the precedent of least year? No. 10 is practically a duplicate of No. 3.

Mr. Speaker: For the information of the hon. member I may say that now that we have considered this resolution the other one will have to wait and be dealt with when we get to it.

Mr. Argue: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now, he will close the debate.

Mr. Argue: No; this motion was allowed to stand the other day.

Mr. Speaker: I am sorry. I thought this was a resumption of the debate. I understand we are taking it now for the first time, and the hon. member is moving the motion. Perhaps what got me into difficulty was the fact that the other day we thought we were on this motion when we were not.

Mr. Argue: I am pleased to have the opportunity of once again moving a motion requesting an increase in the family allowance. I believe the family allowance legislation, enacted back in 1944, is one of the most important acts ever placed on the statute books of this country. It is an important part of our social security legislation. Because I believe family allowances are a good thing, because I believe the legislation is worth while, I view with alarm the gradual deterioration in the purchasing power of the family allowance cheque. It is not sufficient at any time for a government to merely provide legislation which is good. In my opinion the government should be prepared to protect the value of that legislation. Year by year almost consistently since 1945, inflation has been allowed to eat away a good part of the value of the family allowance cheque.

There is only three-quarters of an hour left for this debate, and because time is limited and I should like to see other members take part in the debate I shall endeavour to make my remarks rather brief. The latest

report of the Department of National Health and Welfare shows that more than 2 million families are in receipt of family allowance cheques on behalf of almost 5 million children. A little later on I am going to give some income statistics which I believe will demonstrate that family allowance cheques are absolutely essential to the welfare of the family. Moreover, I believe I can demonstrate that the incomes of the vast majority of Canadian families are at a level which makes it necessary to consider an increase in the amount of the allowance at this time.

In some quarters it is being advocated that family allowances be doubled. Another suggestion is that the payment of the family allowance should be extended on behalf of children beyond the age of 16, probably up to 21, as long as those children remain in school. I think that suggestion is a valuable one. I feel it is one that the government and the house might consider. It seems to me that the importance of education and the high cost of it in this technological age should cause the government to consider encouraging young Canadians to stay in school as long as they can profitably do so. I believe, therefore, there is real merit in the suggestion that the age up to which family allowances may be paid should be extended.

The family allowance is just one aspect of the Canadian social security program. It is one instance where the government has provided a very important piece of legislation, and year by year has stood idly by while inflation has taken away a substantial part of the original program. This is not the only field in which the government, by standing idly by in an inflationary period, has allowed the value of social security legislation to deteriorate. I refer now to the old age pension cheque. The last increase in the amount paid old age pensioners was in April, 1949. It is true that since then the means test has been removed, and therefore the number of Canadians who are receiving old age pension cheques has been greatly increased. Nevertheless, since April, 1949, inflation has caused a very serious deterioration in the purchasing power of the old age pension cheque.

I have made some calculations, and on the basis of the consumer index for 1955 the old age pension cheque which was worth $40 in 1949 is today worth only $34.29 in terms of 1949 purchasing power, a deterioration of $5.71 since that time. I do not think anyone will say $40 a month for an old age pensioner in April, 1949, was too high. Certainly $34.29 in terms of 1949 purchasing power is today far too low. Not only in the field of family allowances, therefore, but in the field of old age pensions the value of the social security legislation has been allowed to deteriorate.

I have in my hand a table which shows the increase in the consumer price index each year since 1945, and the resultant decrease in the value of the family allowance. The consumer price index for 1945 stood at 75 and the initial family allowance cheque for the youngest child was $5. The next year the consumer price index was 77·5 and the value of the $5 cheque was reduced by 10 cents, to $4.90. The next year the consumer price index was again higher and the value of the $5 family allowance cheque had deteriorated an additional 50 cents to become worth only $4.40. The following year there was a further large increase in the cost of living and the value of the family allowance cheque went down another 50 cents to $3.90. Year by year, with the exception of 1953, inflation has caused a decrease in the value of the family allowance cheques until in terms of 1945 dollars, the year in which family allowances were first paid, the 1955 family allowance cheque of $5 became worth only $3.20. In 1955 the $6 family allowance cheque had deteriorated in value to $3.84; the $8 cheque had deteriorated in value to $5.93.

To show the position of our family allowance legislation, on the assumption that inflation continues in the next 10 or 20 years at the same rate as in the last 10 years, and the government does nothing in the next 10 or 20 years in regard to increasing the family allowance, we shall find 10 years from now that the $5 family allowance cheque will be worth just $2.05, and that 20 years from now a cheque worth $5 in 1945 will be worth $1.41.

I do not believe this government, or any other government that may be in office during the next 10 or 20 years, if inflation should continue at the same rate, will stand idly by and allow the value of family allowances to deteriorate from $5 to $1.41. I do not believe the people of Canada will stand for that being done. They will not stand for this drastic drop in the value of family allowances, which I have estimated to be 36 per cent. Now is the time for the government to consider restoring the value of the family allowance.

If nothing is done about it, 10 years from now the $6 cheque will be worth just $2.46, and 20 years from now, $1.69. The $8 cheque, the largest that is payable, 10 years from now will be worth $3.28, and 20 years from now, $2.26.

There is another way to demonstrate the deterioration in the value of family allowances. The family allowances legislation was

enacted and had its first full year of operation in 1946. At that time the gross national product in Canada was just over $12 billion. The amount paid out in family allowances was almost 2 per cent of the gross national product, or $245 million. Since 1946 the gross national product has increased from $12 billion to $26 billion. If the family allowances today were the same percentage of the gross national product as they were in 1946, we should be spending this year on family allowances the sum of $539 million. As a matter of fact in the coming fiscal year the estimate for family allowances is $399 million. Therefore, assuming that next year the gross national product does not increase—and we all know it should; it should go up about 5 per cent each and every year—the family allowances will be $140 million short of 2 per cent of the gross national product, that percentage of the gross national product which they constituted back in 1946.

I believe that 2 per cent is a very small part of the gross national product to have allocated for family allowances. I should like to see it even higher; but certainly I believe that the part of the gross national product used for family allowances in 1946 should be retained, and we should not be content to allow it to fall, as I have said, by $140 million.

The government brought in family allowances in 1944, and the legislation was passed. Family allowances became operative in 1945. The Liberal party, year after year, election after election, point out to the people of Canada the value of family allowances and take, if not 100 per cent of the credit, at least 99 per cent of the credit for having placed them on the statute books.

What has been happening since? The value of family allowances has deteriorated; the value of the old age pension has deteriorated. At this time, instead of restoring the purchasing power of the family allowance cheque, the government is talking of extending the field of social security legislation. I am all for the extension of social security legislation; I am in complete support of a program of health insurance, and better old age pensions. But unlike the Minister of National Health and Welfare (Mr. Martin), I do not believe that the amount of wealth represented by the deterioration in the value of family allowances should be used or an extension of social security measures in other fields.

I believe the family allowance legislation should be protected and any new legislation should be added to it. In speaking in the debate on February 23, a year ago, as recorded at page 1444 of *Hansard* the Minister of National Health and Welfare had this to say:

> If we had accepted my hon. friend's proposal a number of years ago does any hon. member think it would have been possible to have an old age security program that is costing Canada over $350 million a year? If we had accepted my hon. friend's proposal last year would we have been able to bring in the disability allowances program last year? If we had accepted my hon. friend's proposal would we have been able to bring in legislation to help the blind, or to bring in a national health program?

The most I have ever advocated in proposing an increase in family allowances was that the value of the family allowance cheque be restored; yet the Minister of National Health and Welfare says that had the value of the family allowance cheque been restored the government would not have been able to bring in the disability allowance, the blind pension or to provide $350 million for an old age security program. In other words the government is attacking its own legislation. It is taking a good part of the value of the family allowance legislation and, in the words of the Minister of National Health and Welfare, is using that sum of money to provide social security legislation in other ways.

Are the people of Canada really in need of family allowance legislation? Should there be an increase in family allowances? Is the average working person in need of an improvement in family allowance legislation? I hold in my hand some excerpts from taxation statistics, 1955, based on the 1953 taxation year. It shows that 39 per cent of income earners obtained less than $2,000 in 1953; that 51·4 per cent obtained less than $2,500; that 64·4 per cent, or almost two-thirds of the income earners in Canada, obtained less than $3,000; that 79·9 per cent obtained less than $3,500.

When you add to that table the statement that has often been made by the Minister of National Health and Welfare that 19 per cent of the working population of this country are responsible for the upbringing of 84 per cent of the children, you see that the average Canadian family obtains a very modest income, and must be able to balance the budget with the greatest difficulty. If almost half the working men obtained $200 a month, and if they obtained housing accommodation at a rental of $75, which would not be excessive, they would have $125 a month to buy food for the table, to buy clothing for the family, to provide for medical expenses, and all of the costs of raising a family, because the statistics of the Department of National Revenue point out that 51·4 per cent of income earners obtain less than $2,500 a year.

The united automobile workers put out a publication entitled *The Guardian*. In that publication they have figures showing the estimated cost of modest living for a year for a city family as at January 31, 1954. They have statistics for a working man who is a tenant, who has a car, who is a home owner, or who is a home purchaser. They estimate that the highest cost for a modest living is $4,600 for a home purchaser with a car, and the lowest modest living cost is for a home owner, someone who owns his home and has no car. In that case the estimate is $3,628.

In other words, according to this publication the average family needs at least $300 a month for a modest living and to balance the budget. Yet according to the taxation statistics three-quarters of the income earners in this country obtain less than $300 a month.

For that reason, Mr. Speaker, I feel that family allowances are essential, that an increase should be made at this time, and that the very least the government should do is to restore the purchasing power of the family allowance cheque so that it may be of greater assistance to the vast majority of families who now find it almost impossible to balance the family budget.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, before I speak on this particular item I think I should perhaps apologize for having started to speak on it a week ago last Friday. My only excuse is that I was listening to the page boys who were bringing us the Olympic hockey game scores, and I was not paying attention to the clerk when he read the item in the name of the hon. member for Assiniboia. So I started to speak on the wrong subject.

I am also a bit sorry that I did not speak last Friday as I should have, because I think I could have given a wide measure of moral support to the measure introduced by the hon. member at that time. I am afraid, however, that I can give him no moral support with respect to the resolution we are discussing tonight.

I think if hon. members had it within their power to say whether or not they would grant an increase in family allowances, old age assistance, old age security or any other welfare measure that we have in this country, not a single member of any of the four parties would hesitate if we were able to do that. But I submit, Mr. Speaker, that it is quite irresponsible to suggest that regardless of the taxation we levy, regardless of the necessity to balance the budget, we can increase our welfare allowances from year to year just out of good intentions.

I say to the hon. member, without any intention of being out of order, that it is not so many days ago that we heard a warning in this chamber about the terrible things that would happen if the price of beef should go down or if the floor price under butter were removed. I submit that all of these things have a connection with the increase in the cost of living and therefore with the justification for or argument in favour of higher family allowances.

In this country we are about to embark on the most comprehensive step that has ever been taken in the history of our nation in the form of the great national-provincial, coast to coast health care scheme.

An hon. Member: Hospital care.

Mr. Philpott: Hospital care scheme. The Prime Minister (Mr. St. Laurent) has clearly laid down the terms on which the government is willing to proceed with the plan, and we all know that it is going to cost the treasury of the federal government real money. By coincidence it is going to cost the treasury almost exactly the same amount in millions of dollars as the amount by which the hon. member for Assiniboia suggests that family allowances should be increased to bring them up to the level of the increase in the cost of living since 1947.

Maybe I am wrong, but I have the impression that if all the citizens of Canada could have their choice between an increase in the family allowance to bring it up to an amount that would compensate for the increase in the cost of living since 1947 or a plan whereby the national government in co-operation with the provinces will go ahead with a national health insurance scheme they would, in my opinion, vote by an overwhelming majority, probably by 99 per cent, to go ahead with the national health insurance scheme.

I had the great privilege this summer of travelling quite extensively in several of the countries which are most often held up in the house as being the ideal welfare state countries in all the world, namely the Scandinavian countries such as Denmark, Sweden, Norway and so on. I spent some time in each of those countries, and on some other occasion this session I hope to have the privilege of saying something about civil defence in that wonderful country, Sweden, where I had the privilege of examining their system.

However, tonight I want to talk for a minute or two about how the welfare state schemes in these countries compare with our own. These countries are often portrayed by the hon. gentlemen immediately opposite me as being the most advanced in all the world in this regard. Not one of these countries has a family allowance scheme that compares in any way with what we have right here in our own

Dominion of Canada. For instance, in Finland the family allowance payment is 1,200 markkas per year, very much less than Canada. In Norway the family allowance payment is 240 kroner per year, and the first child gets nothing. In Sweden the amount is 290 kronor per year. In that country it is all-inclusive. You do get a grant even for the first child. In Denmark the amount is roughly the same as in Sweden.

But in all these countries, Mr. Speaker, quite a rigid means test is applied in the case of all their welfare measures, not only with respect to unemployment insurance but also old age pensions. To date they have nothing comparable with what we have here under our old age security system payable to everybody right across the board.

Mr. Nicholson: I wonder whether the hon. member has those figures in terms of dollars and in terms of the food which the children may have.

Mr. Philpott: I can give them to you or you can figure them out yourself. The kroner is worth somewhere between 20 and 25 cents, so that in terms of dollars the Norwegian family allowance would amount to about $60 per year. In France the first child is excluded but the second child receives the allowance. On paper France has the most generous of all the European schemes. In the case of a city worker the allowance for the second child is based on 20 per cent of the worker's wages, which would really be a fabulous allowance if that system were applied in Canada.

However, if you examine the actual situation in France you will find that the scheme is full of jokers. It is not only true that a great many people do not pay taxes; it is also true that a great many people who are theoretically entitled to some of these welfare allowances do not draw them. It is also true that in the richest country in the world, the great United States of America, there is as yet no family allowance scheme of any kind whatsoever.

Therefore I say, Mr. Speaker, that before we talk too readily about extending these payments, desirable as all of us might consider that to be, we should sit down with pencil and paper and figure out exactly where the taxes are going to come from to pay these allowances, or where we are going to put the extra debt to pay for them if we are going into debt. It seems to me that the whole welfare scheme of Canada must be considered as an entity.

If I for one had to express my preference as to priority I would say that before there is any substantial increase in family allowances, consideration should be given to the old age pensioners. They certainly have a higher claim to prior consideration, because I can show you from my own files in my office in this building, literally hundreds of letters in which people have actually sent me their budgets, proving quite plainly that one simply cannot live on $40 a month.

I would say in all kindliness to the hon. member for Assiniboia, do not go M. Poujade one better. In France M. Poujade only comes out with the slogan, "Down with all taxes" but as far as I can see the hon. member for Assiniboia is in favour of "Down with all taxes but up with all welfare benefits."

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, the time remaining for the debate on this motion is not very long and I hope I will not take up all of it. I am really surprised, probably astonished would be a better word, after being among so many university graduates, that the hon. member for Vancouver South (Mr. Philpott) should be in such a hurry to oppose this measure that he had to speak on it before it came before the house at all. It is simply amazing, and I am quite sure it is not what the people of British Columbia expect of the hon. gentleman.

He told us of his experiences during a trip to the Scandinavian countries, Finland, Norway, Sweden and Denmark, this year. Surely the ability of those countries to provide for their people should not be compared with that of a rich country like Canada. Finland has not yet finished paying heavy reparations to the country which conquered her a few years ago. It is not so much the size of family allowances paid in those countries as it is the relationship of family allowances to the standards of living of the various classes in the country.

The hon. member says that if something has to be done in connection with social security there is a greater need in connection with old age pensioners. I am not going to dispute that the condition of old age pensioners in Canada, those who have to live practically or altogether on old age security or old age assistance, is deplorable; but I insist that if there is to be a choice between doing something for a child who has not yet developed into a man and doing something for an old person whose days are over, if we cannot do something for both, we should do it first for the child who is a future citizen of Canada.

There is another point I wish to mention in that regard. I am quite sure that the hon. gentleman who preceded me would say

and has said that this country should do more toward feeding the underprivileged people in other parts of the world. Many people say that if we are going to save the world from the dangers of communism that is something that should be done. But I suggest to you that if we want to feed hungry people we do not have to go outside of of Canada to find them. Our first duty as representatives of the people of Canada is to see that the national income is so distributed that all will have bread before some have bread and cake as well. That is what we are suggesting when we suggest that family allowances should be raised.

I have in my hand a bulletin prepared by the Vancouver housing association, which is a recognized organization in Vancouver coming under the red feather scheme. This bulletin contains a brief which was prepared for the Minister of Public Works in regard to housing. The association had a study made of housing conditions among social assistance families. Those were not old age pensioners; they were fathers and mothers, in most cases mothers, with growing children. The study was made by a man by the name of W. A. Wilson, and I should like to read some extracts from the study he made which appear in this brief. The first is as follows:

> A family dependent on assistance has only about a 50-50 chance of finding shelter which will not jeopardize its physical and emotional well-being.

What does that mean? It means that in Vancouver, the city which the hon. gentleman and myself represent, families with children on social assistance are forced to give up proper food and clothing and other things that the ordinary child should expect in order to be able to obtain adequate shelter. Family allowances are one way of adding to the income of those children. The next extract is as follows:

> It is a decidedly bleak outlook for the family attempting to find adequate shelter within the rental grant. A family without outside help is literally torn between two choices; paying an exorbitant proportion of their income in attempting to find satisfactory housing, or living in poor housing and having more of their income available for daily necessities.

We talk about juvenile delinquency, but what can be expected of children who are brought up hungry, who are brought up in homes that we would not want to live in? If we are going to combat juvenile delinquency successfully we must begin by improving the lives of young people in the community, not only with better food and clothing but with more of the social amenities and educational and recreational opportunities. Here again increased family allowances would help a great deal.

[Mr. MacInnis.]

I have before me an article which appeared in the Montreal *Gazette* of February 6 which was written for several papers by James S. Duncan, C.M.G., describing his experiences on a recent visit to Russia. Referring to the condition of the Russian people he says:

> The small luxuries, the important non-essentials, the minor niceties which lend grace and charm to life are conspicuous by their absence from the Russian scene; and yet the great masses of the people who have no points of comparison with the way other peoples live, apparently accept their drab lives without complaint or unhappiness.

I read all of it because there was no period. I could have read the first half and left it at that, pointing out that Russia is not the only country where the small luxuries, the important non-essentials and the minor niceties which lend grace and charm to life are conspicuous by their absence. I can take my hon. friend to hundreds of homes in the city of Vancouver where these minor niceties which lend grace and charm to life are lacking and where there is a continual daily struggle to provide the essentials of bare living.

Yet my hon. friend says in this house that we cannot afford this. How quickly people become satisfied. Let us first look after the many people in every city, in every town, in every hamlet in this land who are not getting enough food to eat, who are not getting proper clothes to wear, who are not getting the proper educational opportunities. Let us look after these people first, even before we extend our bounty to the more unfortunate people in other parts of the world.

My hon. friend, as I have said, is now one of the satisfied people. He is continually drawing attention to what this government is doing. I remember the day when he did not think this government was doing so much. I have here a quotation from a speech made by someone:

> Both parties are absolutely in the grip of financial interests. The real government of Canada is not at Ottawa but in St. James street, and the old parties are as closely linked as the Siamese twins.

An hon. Member: Who was that?

Mr. Studer: What have the socialists got to offer?

Mr. MacInnis: The speaker on that occasion was Captain Elmore Philpott at a meeting in Edmonton. I am just suggesting to this house that there is room for an increase in family allowances, and if some of the increase were to go to people who already have incomes you can take that away as it is taken away now. But we should make our family allowances such that every family in this country can be assured of a family income that will give it at least good physical health and good emotional health, and also allow the parents,

in their struggle for existence, to take advantage of the educational opportunities that this country provides.

(Translation):

Mr. Fernand Girard (Lapointe): Mr. Speaker, I should like to add a few words in support of the resolution under consideration at this time, consisting in a request to the government for an increase in family allowances.

There can be no denying the fact that the sum of $5, which the government had assumed to be an indispensable minimum for our families, in 1945, has gradually decreased in real value and that the family allowance cheque has lost 35 per cent of its worth, now being equal to a mere $3.20.

In other words, if the government was of the opinion, in 1945, that Canadian families deserved a minimum of $5, it should at this time, to be logical, be prepared to adjust the amount of this allowance to the present cost of living in this country.

Every time members in this house have asked for an increase in family allowances, there was always eagerness on the side of government benches to protest and to say: "Let's be serious, gentlemen. The government can only give money that it collects. Where are we to find the revenue to do this?"

It is unbelievable to see how often this argument is used by members of the government, and equally unbelievable to see how readily the government brushes it aside when it finds it convenient to do so.

When, for instance, we asked on behalf of the provinces for an increase in the field of income tax, the government said: "We can hardly grant more than 5 per cent, because that would make the situation unbearable for us". Some time later, the Prime Minister offered 10 per cent and, through some unbelievable and unaccountable miracle, the government had seen its way out of an unbearable situation.

Last year, when there was talk of increasing the rate of family allowances, the government was faced with the same problem: no money. It was not unwilling, but where could it find the money necessary for this purpose? Yet this same government, this year, is ready to spend $180 million on health insurance. I am not opposed to this plan, but if it is considered practicable, why can't the money be found to boost family allowances?

In the last analysis, the government must realize that if the $5 family allowance is now worth not much more than $3.20, the worker's income has also been affected so that he is proportionately less able to provide for the security of his children. Everyone will also recognize that, since children are our greatest asset, they deserve the largest share of our national income. If we can spend two billion dollars on defence, which may be an important thing, why could we not afford more than one-hundredth of that amount for the welfare of our children? Why could we not do more for an asset that is so important to our country?

(Text):

On motion of Mr. Girard the debate was adjourned.

HOUSE OF COMMONS

ANNOUNCEMENT OF PUBLICATION OF CUMULATIVE INDEX TO "HANSARD"

Mr. Speaker: Before the adjournment, may I point out to hon. members that, if they look in their files of *Hansard*, they will find that there is a green sheet of heavy paper immediately preceding an index which covers the period from January 10 to January 31. This is a current index which it is proposed to make cumulative and have published for every 15 days during the course of this session. It may be that when we reach the committee of supply sittings or the sittings of the committee of ways and means, the *Hansard* index branch may find it difficult, because of the multiplicity of subjects dealt with in the committee of supply and of ways and means, to issue an index on this current basis. However, in any event it is felt certain that, except for that time toward the end of the session when there is a great multiplicity of subjects being dealt with, a cumulative index can be issued. I hope this improvement will help hon. members to find what they look for in the daily *Hansard*.

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:

FLOODS, B.C.—ASSISTANCE TO INDIANS

Question No. 74—**Mr. Regier:**

1. Have any requests been received for assistance to Indians of British Columbia as a result of flooding in 1955?
2. If so, what has been the reply of the government to such requests?
3. Have any Indian agents reported on the extent of damages suffered by Indians?

Answer by: **Mr. Pickersgill:**

1. Yes.
2. There has been only one application for assistance and the applicant has been provided with clothing, furniture and other essential requirements and it is intended to assist him with minor house repairs.
3. Yes.

INDIANS, ALBERTA—POPULATION AND MEDICAL STATISTICS

Question No. 86—**Mr. Smith (Battle River-Camrose):**

1. What is the number of Indians in the province of Alberta?
2. What was the cost of (a) hospitalization; (b) medical services; (c) dental services, for these Indians in each of the years 1954 and 1955?

Answer by: **Mr. Martin:**

Because the Indians of the Yukon and Fort St. John agency are cared for by the Indian health services organization in Alberta it is difficult to segregate expenditure figures for the care of Indians in Alberta alone. Therefore the figures quoted below include these two areas, the Indian population of which represents about 11 per cent of the total Indian population involved.

1. Indians in province of Alberta, 16,327; Indians in Fort St. John agency, N. E. sector of British Columbia, 488; Indians in Yukon Territory, 1,608.

2. (a) 1953-54, $1,823,754; 1954-55, $1,-973,900; (b) 1953-54, $65,423; 1954-55, $71,358.

Note: This item includes amounts paid to non-departmental doctors, dentists, opticians, and radiologists.

(c) Dental services are provided by dental clinics in hospitals and by non-departmental dentists. The amount paid for the latter is included in the amounts shown in answer 2(b). In addition two travelling dental surgeons were employed by the Indian health services in Alberta in 1955 and one in 1954.

In addition to the above expenditures there were those made in moving patients to and from hospital, which amounted to: 1953-54, $30,396; 1954-55, $34,178.

STAPHYLOCOCCAL EPIDEMIC, B.C. HOSPITAL PERSONNEL

Question No. 92—**Mr. Goode:**

1. Is there an epidemic of staphylococcol infections among the personnel of the hospitals in British Columbia?
2. If so, what discussions, if any, have taken place between federal and provincial government research staffs to eliminate the serious spread of such infection?

Answer by: **Mr. Martin:**

1. No.

2. The possibility of staphylococcal infections occurring in hospital personnel has always been a potential hazard. With the introduction of penicillin the solution seemed to be at hand. However particular strains of staphylococci, resistant to the effects of penicillin and other antibiotics, have developed. While the occurrence of these resistant strains of staphylococci has not assumed epidemic proportions, their presence has been reported from various areas in Canada and throughout the world.

A full discussion of this matter of staphylococci resistant to antibiotics took place at a conference of federal and provincial laboratory directors held in Ottawa in December, 1955.

Considerable research has been undertaken with the objectives of studying the characteristics of these penicillin resistant organisms, of developing improved methods for reducing the possibility of their transference from one person to another, and of discovering new antibiotics which will be effective against these resistant strains.

Typical of these research projects which have been supported under the national health program are: (a) the epidemiological study of penicillin resistant staphylococcal infections in the province of Quebec which has been underway since 1951; (b) investigation at the Hospital for Sick Children in Toronto of the sensitivity of bacteria to antibiotics; and (c) a study of the control of skin infections in the newborn and a proposed companion study now under consideration of the epidemiology and control of infections caused by staphylococci in the pediatrics department of a general hospital, both in Vancouver.

In addition to this financial support to independent investigators, both the Department of Veterans Affairs and the laboratory of hygiene of the Department of National Health and Welfare have been actively engaged in comprehensive studies of this problem.

BLIND PERSONS—FEDERAL MEDICAL AID

Question No. 103—**Mr. Proudfoot:**

1. Can recipients of blind persons allowances receive medical or surgical attention in cases where it is likely to improve their sight?

2. If so, does the government bear any portion of the cost?

3. Who selects the pensioners who are to be given treatment?

4. How many have been treated to date and of these in how many cases has the treatment been successful?

Answer by: **Mr. Martin:**

1. Yes. In 1947 the federal government introduced a scheme for treating blind persons in cases where such treatment would restore vision. The provinces of Newfoundland, Prince Edward Island, Nova Scotia, Quebec, Ontario, New Brunswick, Manitoba, Saskatchewan, and British Columbia are now participating or have agreed to participate in this scheme.

2. Yes. The federal government bears 75 per cent of the cost, the province bearing the balance.

3. The blindness control division of the Department of National Health and Welfare aids in the selection of cases for treatment in collaboration with the provincial authorities. Most cases are selected on the recommendation of the oculists who make the examinations for blindness allowances purposes. In some cases other oculists ask for authority to treat pensioners, frequently the Canadian National Institute for the Blind recommends treatment, and in a few cases the blind pensioners themselves ask for treatment. All cases are carefully reviewed in the blindness control division before treatment is authorized. If it is doubtful whether treatment would restore vision, a new eye examination is secured before authority for treatment is given.

Most of the cases treated are new recipients of blindness allowances whose blindness is due to cataract. The treatment is administered provincially and the patient can choose his own eye doctor.

4. 258 blind persons have been treated. 191 cases have been successful. 40 additional cases are under treatment now.

HOUSE OF COMMONS

Tuesday, February 14, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

HON. MEMBER FOR FORT WILLIAM—BIRTHDAY ANNIVERSARY CONGRATULATIONS

Mr. Speaker: Hon. members will allow me, I am sure, to point out to them that today is the birthday anniversary of the dean of our house, the hon. member for Fort William. I want to tell him how pleased we are to see him looking so young and full of activity. We wish him very many happy returns of the day.

Whereupon the members of the house sang *Happy Birthday to You.*

Mr. Daniel McIvor (Fort William): I am quite tickled at hearing your words, Mr. Speaker, and especially at the fine music that has come from the house. I enjoy living very much, and I am going to carry on as long as a wise Providence permits and my better half helps.

NATIONAL DEFENCE

"PINETREE" LINE—PROVISION OF CANADIAN SECURITY GUARDS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of National Defence, notice of which I have given him? Will the minister give consideration to the provision of Canadian security guards at United States army posts in Canada, such as the radar stations on the "Pinetree" line, so the men responsible for dealing with the public are Canadian rather than United States personnel?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I thank the hon. gentleman for giving me notice of his question. In view of his representations, I shall review the situation, and in so doing will be pleased to give consideration to his suggestion.

DISABLED PERSONS

INQUIRY AS TO POSSIBLE AMENDMENTS THIS SESSION

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister tell the house if he intends to amend at this session the Disabled Persons Act, following the discussions held last week among himself, officials of his department and representatives of the medical profession throughout Canada?

(*Translation*):

Hon. Paul Martin (Minister of National Health and Welfare): Well, Mr. Speaker, we are giving this matter serious consideration at this time.

(*Text*):

LIVESTOCK

SHEEP—REPORTED OUTBREAK OF SCRAPIE DISEASE IN ALBERTA

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister tell the house in what part of Alberta the disease scrapie has broken out? Are there any other parts of Canada where this disease has broken out? How many sheep have been condemned for slaughter in Alberta and in other parts of Canada? What compensation, if any, does the government intend paying for each slaughtered head?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the question asks in what part of Alberta the disease scrapie has broken out, and whether there are other parts of Canada in which it has broken out.

The use of the term "broken out" in connection with scrapie conveys a wrong implication. This is not a highly infectious disease which spreads rapidly from flock to flock, as do such diseases as hog cholera and foot-and-mouth disease. It is believed to be transmitted to some extent by breeding, but much research is still required to determine its exact mode of transmission.

Although it has been known to exist for some time in Europe and Great Britain, it is relatively rare on this continent; and in both United States and Canada the practice is followed of slaughtering infected flocks, with compensation, as a general safeguard and protection to the sheep industry.

Scrapie was recently diagnosed in one flock of sheep in Alberta, and at the present time that flock is in the process of being ordered

slaughtered and arrangements made for compensation. In the meantime, the flock is quarantined. Pending completion of arrangements it is not considered desirable to release details, but such details will be made available, if desired, when the disposal operations have been completed.

Scrapie has not yet been diagnosed in any other flock of sheep in Canada since 1954. It was first diagnosed in Canada in 1945 in an Ontario flock. Since that date, and not including the present instance in Alberta, it has been diagnosed in five flocks, all in Ontario. In each case the infected flock was destroyed. The total number of animals involved in all five flocks was 287.

The general plan that is followed in such cases will be followed in Alberta.

Mr. Johnston (Bow River): What was the compensation paid in Ontario when those sheep were slaughtered?

Mr. Gardiner: It is worked out on that basis. As far as the present herd is concerned the owner has suggested a certain compensation. We have had the herd inspected and we have proposed a certain compensation. The matter is still under discussion.

Mr. Johnston (Bow River): May I ask a supplementary question? In the latter part of my question I asked the minister what compensation had been paid in 1954 to the Ontario people? Do I understand that the herd has not been paid for yet?

Mr. Gardiner: No. That has been taken care of. The total number of animals involved in all five flocks was 287, but I have not the amount.

IMMIGRATION

REQUEST FOR CHANGE IN ADMINISTRATIVE POLICIES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Now that the Supreme Court of Canada has dismissed the appeal of the government in the Brent case, will the minister bring about an immediate change in the administrative policies of the department to bring them in line with normal standards of Canadian justice, as so often urged by the opposition in the house?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, it would require no change in the practices of my department to achieve the result that the hon. gentleman has suggested is desirable. As for the decision in the Brent case, the supreme court has not yet given the reasons for judgment. Until I have seen them I do not intend to anticipate them.

Mr. Fulton: May I ask then if the minister does not know that the government's appeal was dismissed?

Mr. Pickersgill: I am very well aware of that fact.

SUGGESTED INCREASE IN TIME FOR APPEAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration. Will the minister consider extending to a longer period of time the 48 hours within which a person ordered deported may appeal to the new immigration appeal board, which the minister has established to be effective as at March 1?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I shall be very glad to give consideration to the advantages there might be in extending the 48-hour period. I have some doubt in my own mind whether there would be any advantages but certainly I have no desire, and I am sure the government has no desire, to deny an appeal to any landed immigrant, and if a longer delay would make that end more certain there will be a longer delay.

GRAIN

BURSTALL SUBDIVISION—REPORTED SHORTAGE OF BOX CARS

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister been made aware of the severe box car shortage on the C.P.R. lines in the Burstall subdivision? If so, what action has the minister taken to correct the situation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for having given me notice of this question.

I keep in touch very closely with the general transportation situation, but this is the first time the particular problems of the Burstall subdivision have been drawn to my attention.

I am advised by the Canadian wheat board that the unit delivery quota has been taken care of at all points on the subdivision except Gascoigne, where four cars are still required. There are enough board orders out now to take care of the one-bushel quota for the

whole subdivision and the board is pursuing the matter with the railway to facilitate the car supply. From February 3 to February 10, 32 cars were supplied in the subdivision.

POST OFFICE DEPARTMENT

NANAIMO, B.C.—OCCUPATION OF NEW BUILDING

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, will the Postmaster General inform the house when his department plan to commence operations in their new building in Nanaimo, British Columbia?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, my understanding is that the department will probably move within the next two or three weeks into that part of the building which has been assigned to it.

PRIVILEGE

MR. GARDINER—REFERENCE TO REMARKS OF MEMBER FOR ROSETOWN-BIGGAR

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, on a question of privilege I should like to point out that on page 1107 of *Hansard* of yesterday the hon. member for Rosetown-Biggar (Mr. Coldwell) is reported to have said:

> But I do know that on one occasion when a colleague of mine simply inserted in *Hansard* the words "Mr. Speaker" indicating that I had risen to speak, the Minister of Agriculture not only objected to it but he pursued the former editor of *Hansard* with letters of criticism almost until he went to his grave.

I can quite understand, after listening to the discussion yesterday, why my hon. friend did not undertake to have that taken out of *Hansard,* but I do want to refer to the fact that I asked him if he would produce the letters.

I wish to place the letters on the table of the house. I wrote one letter, and I wrote it within the time that is allowed to me under the rules of this house to have a matter corrected in revised *Hansard.* It was not corrected in revised *Hansard,* and I had one letter back. I did not take the matter up with the editor of *Hansard;* I took it up with the Clerk of the house. The letter was to the Clerk of the house and the answer was from the Clerk of the house. They have to do with the matter of the discussion which took place. The hon. member for Rosetown-Biggar and I were more or less playing for position in order to get the right to be the last speaker, and a discussion arose as to whether the rules were being followed. I am not going to go into that; I am simply going to ask hon. members to read these letters, which will be on the table.

Hansard—Altering of Report

The reference in the letters to the insertion of the words "Mr. Speaker" at page 3228 of *Hansard* for April 22, 1948, by the hon. member for Winnipeg North Centre (Mr. Knowles) will be fully understood by hon. members if they will read the discussions between Mr. Speaker and myself and between the hon. member for Rosetown-Biggar and Mr. Speaker. There was only one letter written by me and it was to the Clerk of the house, and was intended to refer to revised *Hansard.*

The words still remain in revised *Hansard* and if it is correct to have them there the ruling of the Speaker was wrong at the time I appealed to him to make a ruling. I wrote to the Clerk to call attention to the fact that if those words were properly there, then the order of the Speaker should have been different. I only say that because of what was said yesterday by the hon. member.

I want to say in addition that I have had five experiences of this kind with the hon. member, and the causes of them were exactly the same as with the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) as discussed in this house the other day when he was referring to what happened in Moose Jaw following a certain discussion here.

Mr. Fulton: Would the minister explain?

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, if I was in error yesterday I should like the record corrected. As a matter of fact I was speaking from memory. I remember very well the incident to which the hon. gentleman has referred, and the taking up on the floor of this house of the matter of the insertion of those words. I remember too that I understood that the correspondence to which I referred was not with the Clerk of the house but with Mr. Earl Young. Apparently on that point I was misinformed. If there are other respects in which I was in error yesterday I would certainly wish to set the record straight, because I try to be straightforward and fair. I think the minister could profit from some examples of that description.

Mr. Gardiner: Mr. Speaker, I have been meeting my hon. friend now for about 30 or 40 years, and on every occasion that he has attempted to misrepresent something I have said he knows who has lost the battle. He has lost it on every occasion, and this is the first time he has apologized for having lost it.

Mr. Coldwell: I made no apology other than to say I would be glad to set the record straight.

Mr. Gardiner: You are not big enough to set an example by making an apology.

An hon. Member: You are not so big yourself.

Mr. Speaker: Order.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): I rise for just a moment on a question of privilege. Earlier today the Minister of Agriculture was permitted, on a question of privilege, to table certain documents and make a statement in which my name was involved. My question of privilege is that in making that statement the minister asked members to look at page 3228 of *Hansard* for April 22, 1948, if they wished to study the incident to which reference had been made, but that is the only page in *Hansard* to which he referred. What the Minister of Agriculture failed to do was to point out that on pages 3623 and 3624 of *Hansard* for May 5, 1948, the whole incident was discussed and, with the assistance of the late member for Danforth, Mr. Joseph Harris, was cleared up to the satisfaction of all who wished to study the incident. My point of privilege is that any reference to this incident should have included both of those references in *Hansard* and not just the one the minister placed on the record.

EXTERNAL AFFAIRS

RUSSIA—EXCHANGE OF PARLIAMENTARY DELEGATIONS

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Pearson—

Some hon. Members: Oh, oh.

Mr. Pearson: Mr. Speaker, I apologize for putting myself in your place.

An hon. Member: You are speaking to yourself.

Mr. Pearson: On February 10 last the hon. member for Mackenzie (Mr. Nicholson) asked the following question:

> In view of the Canadian Press stories in the morning papers to the effect that Russia may buy $5 million worth of wheat a year from Canada, would the minister consider recommending to the cabinet the accepting of the U.S.S.R. invitation for a Canadian parliamentary delegation to visit Russia, which was transmitted to the Canadian embassy in Moscow on January 6 of this year?

May I say first that the stories in question in so far as the shipment of wheat was concerned were inaccurate in a number of important respects. But apart from that, and with respect to the suggestion that there be an exchange of parliamentary delegations between Canada and the Soviet union, I do not think that this should in any way be related to the current trade discussions, as they are two quite separate matters. Recently, at the request of the Soviet foreign ministry, I conveyed to parliament through the Speakers of the two houses the translation of a resolution passed by the Supreme Soviet on December 28, 1955, which expressed support for parliamentary exchanges, of which you, Mr. Speaker, have already informed the house.

I understand that members are being given an opportunity of expressing their views regarding this invitation. Any attitude the government as such might take with regard to exchange visits of this kind will, of course, be taken in the light of the views of members as and when determined by them.

DOMINION-PROVINCIAL RELATIONS

SUGGESTED CONFERENCE TO INTEGRATE PRISON POLICY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Justice. Will the federal government consider suggesting to the provinces the holding of a federal-provincial conference to integrate Canadian prison policy, as was suggested yesterday in Toronto by the John Howard society?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I wish to thank my hon. friend for giving me notice of this question. Of course the answer to the question is yes, but I think we would be wise to postpone calling such a conference until after we have received the reports of the Fauteux inquiry and the McRuer commission, in order that we might be supplied thereby with sufficient data to indicate that this would be a fit subject for consideration by the two levels of governments at this time.

GRAIN

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

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, this is the stage of this legislation when we are supposed to discuss the general principle of the bill. There are many, of course, who would say that as far as this

bill is concerned there is no principle. However, such as it is, the principle is contained in the title of the bill, which reads:

An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

In other words, this is an expedient to put a limited amount of cash into the hands of a limited number of farmers who have been unable to secure that cash in the normal way by the sale of their grain. The very wording of the title demonstrates the failure of the government to realize the seriousness of the cash situation of the prairie grain grower. To begin with, the bill says, "to meet temporary financial difficulties." The situation, I think, cannot properly be called temporary.

The minister is capable of taking a very liberal view, I know, of what the meaning of the word "temporary" may be, but I would submit that this shortage of cash on the part of western grain growers has been getting progressively worse over the past three years. This is not something that has come up only this year; it has been with us now for some considerable time. Moreover, the situation is steadily growing worse.

When you look at all the factors concerned, I think you will realize there is very little real prospect of this situation coming to an end in the next few months or in the limited period of one year that this bill is provided to cover. We have a very large surplus of grain, both stored in the elevators and still on the farms. The United States also has a very large carryover of grain. The general world wheat situation is one of surplus supply. Under those circumstances I do not think there is any real possibility of the present shortage of cash in the hands of the wheat farmers being really relieved for a period of at least two or three years in the future.

The Minister of Trade and Commerce and the government stubbornly refuse to admit that this is the situation. The minister at every opportunity talks of the improved sales position and comes out with optimistic statements, thereby attempting to spread the general idea that soon the farmer will be able to get rid of his grain and his cash difficulties will be at an end. I think that is merely raising false hopes. Instead of engaging in talk of that sort the minister should be addressing himself to some more realistic and definite means of solving the general difficulties brought about by the inability to sell our surplus grain and the resulting serious cash position of western farmers.

The full title of the bill continues with these words:

. . . to meet temporary financial difficulties arising from inability to deliver all their grain.

I emphasize the word "all". From reading this one would think that the farmers have been able to deliver a large proportion of their grain, but let us look at the actual situation. As far as last year's crop is concerned, a considerable number of farmers have only been able to deliver 300 bushels of wheat or 500 bushels of barley or 800 bushels of oats, enough in any event to give the farmer around $300 or at the most $350. This amount is quite insufficient to meet even his harvesting expenses, let alone any of his other expenses.

In addition, a one-bushel quota has been provided at a certain number of points in western Canada, and I believe a two-bushel quota was provided at a limited number of points. However, the fact that a quota is established, no matter what it is, does not mean that the farmer has been able to deliver that much grain. An eight-bushel quota was established with respect to last year's crop, but a considerable number of people were not able to deliver the eight bushel quota. They were still delivering on the eight bushel quota after they had harvested their last crop. In effect the situation is that as far as last year's crop is concerned the farmers in some cases have been able to deliver no grain and in other cases only a limited amount. Therefore when the bill refers to inability to deliver all their grain I think it gives a false impression.

When the legislation was discussed at the resolution stage the position of this party was made very clear. The Leader of the Opposition (Mr. Drew), the hon. member for Prince Albert (Mr. Diefenbaker), the hon. member for Dufferin-Simcoe (Mr. Rowe), I and others made very clear what we thought of the legislation. Our view can be summed up in four words. We did not like it. We did not like it at the resolution stage and we do not like it now that it has reached the second reading stage. We believe the measure is totally inadequate to meet the situation existing in western Canada brought about by a lack of cash, and that a much better method to deal with the situation is available in the form of cash advances on farm-stored grain.

The three general grounds on which this particular proposal has been attacked in the house were argued very extensively at the resolution stage by many members on this side, and I do not propose to repeat all the arguments put forward then in order to show that this was a completely inadequate and

poor piece of legislation. I will merely summarize them. The first general ground of complaint with the legislation is that the maximum amount that can be lent, $1,500, is insufficient so far as a large number of farmers are concerned. We have also been told that the average amount of the loans actually made so far is in the neighbourhood of $800.

I think it is quite clear that $800, or $1,500 in the case of a larger farm, is totally inadequate to meet the farmer's harvesting expenses, pay his taxes, provide him with food, fuel and clothing to carry him through the winter, and take care of the various other expenses he has to meet.

For that reason alone the legislation is unsatisfactory. It does not do the job which it says it is going to do. It does not provide enough funds for the majority of the people who may want to take advantage of it.

The second general ground of complaint on this bill is that the interest rate of 5 per cent is not justified. The loans are government guaranteed, and as everyone knows the rate of interest on government bonds, for example, is 3 per cent. The rate of interest on other loans guaranteed by the government is 3 per cent or 3½ per cent. Under these circumstances the farmers cannot understand why a rate of 5 per cent is justified. One might say that the risk to the bank is negligible.

Apart altogether from the interest rate, which is unsatisfactory, the farmer in western Canada does not believe he should pay interest on this money at all. He looks upon the payment of interest, as has been pointed out, as a payment of interest on his last years' wages. He looks upon it as very inequitable that he should be called upon to pay this toll on what he has already earned.

The third general complaint in regard to this bill is that many farmers cannot get loans under it. The very men who perhaps need the cash worst are the ones to whom the bank is unwilling to make advances. In addition to that, as has been pointed out also, a very large number of farmers do not deal with banks. In some cases they live 40 or 50 miles away from banks. The banker does not know them, and therefore is not prepared to make loans. One might sum up all of these objections to this legislation by saying it just does not meet the situation and is not what the farmers have requested.

On the other hand, we should consider a system of cash advances, which is what the farmers desire and what the organizations who have spoken for the farmers have requested. We find that all the arguments which can be put forward against the proposed legislation do not apply to a system of cash advances. The argument put forward by the minister and other members of his party against cash advances is that such a system would make the wheat board into a lending institution, and that the wheat board has not the staff to handle cash advances. It is said it would be impossible for the board to look after a system of that sort.

I feel that both these arguments were completely shattered by the discussion we had during the resolution stage of this bill. I believe it is quite apparent to anyone that a cash advance is not a loan. There is a distinct difference, for example, between going to a farmer and putting down $10 on a cow which he is to deliver a month later, and going out and lending him $10. The farmer understands that. The livestock business used to be conducted on that basis. You went out and bought stock, and put so much down on it. Essentially that is what is being asked for so far as the system of cash advances is concerned. It is really a payment on account, which is a different thing from a loan as the minister tried to represent it. The argument, therefore, that making these payments on account to farmers for grain stored in their granaries would put the wheat board in the same class as a lending institution, or convert it into a banking institution, just does not hold up.

The other argument, from the mechanical point of view, that the wheat board is not set up to handle a scheme of this sort, that it has not the staff, is equally without any strength. Ever since its inception the wheat board has been making advances to farmers. The advances were in the form of initial payments when the farmers delivered grain to the elevators.

There is no essential difference between making a payment of that sort and making a payment on grain while it is still stored in the farmer's bin. There may be a little more risk, but I am not arguing that particular point. Even so, I would maintain that the amount of risk is negligible. The risk in that case is that when this payment is entered in the farmer's permit book, he is then in a position where he cannot deliver any more grain unless this is taken account of, and his opportunities for selling grain except to the wheat board are extremely limited. In most cases they are nil. His only other customers are neighbours who may buy grain for feed. Most farmers already have more grain than they can feed, so he has practically no market. In some cases there is a little exchange of grain going on with implement dealers and other appliance dealers.

However, in effect the farmer has only the one customer and that is the wheat board. I think there is no question but that as the wheat board, an agency of the government, is the farmer's only customer, the government has the responsibility for making cash advances to the farmer so he can pay his normal expenses. We in this party believe that a system of cash advances would be a much better method of handling the situation than this legislation which has been presented to us and which we believe to be completely inadequate for the purpose.

Therefore I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That Bill No. 82 be not now read the second time, but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation which will provide for cash payments on farm-stored grain.

Before I sit down there is one other matter I should like to mention and that is the attitude which the minister took during the previous debate and which I think is open to serious question. He made what was nothing less than a threat to the members of this house. He said, in effect, that if we did not stop discussing this piece of legislation, which had been under discussion only a short time, he would withdraw it until the end of the session. The implication was that he would leave the farmers in a position where they could not get loans of any sort, and the responsibility would be ours.

I am fairly certain the minister will not try to carry out that threat because every farmer in this country would know that the responsibility was the minister's. This minister, and the government which supports him, would be responsible if the farmers could not get more loans. The members of the opposition would not be responsible merely because they had made proper criticism of the legislation the minister proposed, and were going on the theory that it might be possible to get the government to reconsider this legislation and bring in something better.

I would say to the minister through you, Mr. Speaker, that threats of that sort serve the exactly opposite purpose to that which the minister intended. That sort of disregard for parliament is the very sort of thing which makes all of us determined not to obey what amounts to a piece of dictation, a threat, or whatever you would like to call it.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, it is rather unusual to see our friends in the official opposition make an about-face which is so obvious, because it was at the resolution stage of this legislation that they said there were enough good points in the bill to prevent them from voting against it. However, they have reversed their position because they perhaps recognize the arguments which we in this group have put forth in favour of cash advances on farm-stored grain.

Mr. Harkness: Mr. Speaker, on a question of privilege, I think the hon. member has totally misinterpreted my motion and what I said. There is no about-face involved in this amendment whatsoever. It is merely a substitution of something better for what has been submitted to us.

Mr. Deputy Speaker: Order. May I draw to the attention of hon. members the fact that they sometimes feel free to rise on questions of privilege which, in my opinion, are more in the nature of refutation of argument. I would hope that hon. members would recognize the difference between true questions of privilege and matters which are merely refutation of argument, which should be done in another way.

Mr. Johnson (Kindersley): Mr. Speaker, as I interpret the amendment moved by the hon. member it is to the effect that the bill be not now read a second time. To me it indicates a position that the members of the official opposition did not take at the resolution stage.

Mr. Fulton: We did not have the bill then. How could we?

Mr. Johnson (Kindersley): The hon. member could have voted against the resolution, as we did. We voted against it, as my leader pointed out, so we would not in any way indicate our support for this half measure which might prevent the introduction of legislation which would do some good, and which is really wanted. We wanted legislation in the line of a continuation of orderly marketing through cash advances on farm-stored grain, as was advocated by this group in the amendment to the address in reply to the speech from the throne.

The title of the bill before the house is an indication of the deceit in the bill. It is an act to provide short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain. It is an act to provide short-term credit to grain producers and, Mr. Speaker, it has failed miserably in this regard because, as the Minister of Trade and Commerce pointed out, only around 8,000 farmers in the three prairie provinces have seen fit to, or were able to, obtain a loan under the provisions of this legislation out of the 200,000 farmers or thereabouts who are in western Canada.

It has also failed, Mr. Speaker, because the average loan taken out is around $800, which is a little over half of $1,500, which the legislation was heralded as providing to western farmers. It is deceitful in this regard because it does not provide for nor live up to the expectations of western farmers. I have a question on the order paper requesting a breakdown on the number and size of the loans, but evidently the minister does not want the question to be answered until this stage of the debate has passed, because on page 980 of *Hansard* the Minister of Trade and Commerce said:

> I will give the hon. member the information now if he wants it.

It is now nearly one week later, and the question is still unanswered. That can only be interpreted as an effort on the part of the government to cover up some of the bad features of this legislation, to cover up the dismal failure which it has been.

The legislation was bound to fail, Mr. Speaker. There are 1,200 shipping points in Saskatchewan, but at the same time there are only 159 points served by 257 branch banks. As the Minister of Trade and Commerce well knows, the distances in the western prairies are great and the legislation is just not adaptable to those circumstances. It is very difficult for the farmer to go 50 or 60 miles to get a loan from a branch bank he has never visited before and where he is unknown. It has been pointed out in previous speeches that unless the banker is in a position to have complete confidence in the borrower, he is not going to make the loan.

The legislation was bound to fail because of the red tape which was attached to its application. The first form brought out dealing with applications for loans, the form that the farmer would fill out after he had travelled 50 miles to visit a branch bank, required him to put down everything except the money in the kiddy's piggy bank. It asked for a net worth statement on behalf of the bank; liens that were against the grain; the amount of grain that he would have a chance to market in his own right; the amount of grain the landlord would be entitled to. It made him list any chattel liens against the grain. That is an indication of the attitude of the government in bringing down legislation that has so much red tape attached to it that we could not expect the farmer to fill out the form to get the loan and return and get his $1,500.

We must give a great deal of credit to the members of the Saskatchewan wheat pool and the officials of that organization who, realizing that their battle for cash advances on farm-stored grain was perhaps useless in the face of government inactivity, met with the officials of the Department of Finance and had this form amended to take some of the sting out of it and make it a little easier for farmers to get loans. But still on the form there is a certificate by the responsible banker indicating his confidence in the reliability of the farmer. In other words if there is any risk involved the bank manager will not make the loan.

I say this legislation was bound to fail, as the hon. member for Calgary North pointed out, because of the 5 per cent interest rate involved. The Minister of Trade and Commerce added it all up and came up with a figure of around $20. I do not think that is the point. The principle of the legislation is what bothers the farmers in western Canada. They do not forget the depression they went through. They do not forget how often a little bit of debt can mushroom and pyramid and eventually break them. Therefore they are very reluctant indeed to take on further debt based on their own earning capacity.

We must also take into consideration the relationship of the farmers to the small businessmen and merchants in town to indicate again why this legislation was bound to fail. If I, as an individual farmer, owe $500 to the implement dealer in my town, I would be in no rush to pay it by means of this loan if I wanted to be a good businessman. If I did not have the money I would not go and borrow money at 5 per cent interest to pay a debt which was in effect costing me nothing. The businessman is going to sell me machines in the future. Therefore I am not going to incur a debt of 5 per cent to pay off a debt which through his good graces is not costing me anything. It is not that the businessman would not like to charge some interest but he realizes the people he is going to have to deal with in the future, through thick and thin, are these same farmers.

The grocer is in the same position, and the oil dealer. We can see the unfairness of this legislation and the hardship it works on these small merchants, the implement dealers and the independent grocers, in carrying the debts of the farmers. There is no alternative; the farmers are forced to borrow money on their own earnings at 5 per cent if they are to pay them off.

The alternative, of course, to this whole proposal, as was pointed out by my leader, is cash advances for farm-stored grain, a system whereby the farmer would be entitled as a right to some return for the product he has produced in the year and which he now cannot sell.

I think the various aspects of the operation of a cash advance on farm-stored grain have been fairly well spelled out, but they have fallen on many ignorant ears. The Minister of Trade and Commerce indicates his objection to cash advances on farm-stored grain, as reported at page 128 of *Hansard*:

> You must be careful about lending on grain where only limited security can be had. The grain on the farm would be the only security the board would have.

In effect the minister has said that you cannot trust the western farmer. He goes on to point out that as circumstances present themselves, farmers might feed their grain to their hogs or sell it to a neighbour. I wonder what has caused such a reverse in the minister's attitude toward the western farmer, because in 1951 when discussing a similar piece of legislation that was before us he outlined that the interest rate could be 5 per cent and he said, as reported at page 2034 of *Hansard*:

> The basis for my opinion that the government's liability under its guarantee is negligible rests fundamentally upon my belief in the integrity and good faith of western grain growers.

That is rather an about-face in five years. In one case the minister says you can charge a low interest rate. I am assuming that the minister at that time thought 5 per cent was a low interest rate. He said you could do this because of the integrity of western farmers; but he now says you cannot make cash advances on farm-stored grain because the farmers will spirit it away in the night and the losses will be excessive.

The second phase of the bill, Mr. Speaker, as it states, is to meet temporary financial difficulties. This is just another case of more deceit. Certainly these conditions have not just popped up overnight. They did not just develop on November 15, 1955. The agricultural share of the national income has been declining continuously for the last five years. According to the *Canadian Journal of Agricultural Economics*, volume 3, No. 2, we find that in 1954 the farmers of Canada received the lowest share of the national income they have ever received in my lifetime. They received 6·8 per cent of the national income as opposed to the other low period of 6·9 per cent in 1931.

When we consider that agriculture involves approximately 20 per cent of the population of Canada we are indeed being deceitful when we say this is a temporary financial situation. This is the financial position of the farmer as related to other aspects of the agricultural picture. We cannot say it is just the price of wheat, because it is related to these other matters which have been brought up in debate. It is related to the fact that there is no floor price on hogs and there is no realistic floor price on eggs. When you have circumstances where farmers in western Canada are receiving 28 cents a dozen for eggs and 25 cents less than the floor price for hogs and a drop in the price of beef, you are able to make a more complete appraisal of this temporary financial difficulty, as it is termed in the bill.

Of course the farmers all over Canada are suffering from the price-cost squeeze, which is perhaps more pointed in the case of western Canadian farmers because as is generally realized, the occupation of the grain grower is more precarious and hazardous than for other mixed forms of agriculture. It is more sensitive to the rises and falls in our economy. In relation to the price-cost squeeze there is a general movement on behalf of the farm organizations to try and correct it.

I do not think the way to bring the level of farm income up is to bring the income of the other organizations down; but my colleague the hon. member for Mackenzie (Mr. Nicholson) certainly indicated one way this squeeze could be curbed. He indicated that there was a refusal on the part of the government to make a deal with the government of Poland whereby we could get cement in return for wheat. In fact it was even more favourable to the government than that; we would have to buy a certain amount of cement from the Polish government, and they in turn would buy a much larger amount of wheat from us. This of course will meet with the general approval of western farmers who have to buy United States cement at $2.65 a bag because they cannot get Canadian cement. They pay 80 cents a bag more for cement because of the failure of this government to carry out some policy which would provide them with cement on the one hand and sell our wheat on the other.

The bill goes on to state that it is designed to provide short-term credit to meet the temporary financial difficulty of the western farmers arising from their inability to deliver all their grain. What an insult to western farmers to indicate that they are in financial difficulties because they cannot deliver all their grain. Far from being able to deliver all their grain as of January 25, we have delivered in grain marketings from the farm slightly over half as much as the average in the preceding ten year period. This is an indication to me that we have not been able to deliver even a fraction of all our grain. We have delivered 75 million bushels less than last year at this time.

I think in fairness the government could do very well to expunge that whole title from

the bill and put one in that would be more suitable to the desire and wishes of western farmers. Not only is it because of our inability to market all our grain or even a small portion of it that we are in financial difficulties; it is because of the gross inequality in the opportunities to deliver. The whole situation of box car allocation and distribution has been a most vexing one in western Canada.

I received a letter from the secretary of the wheat pool committee at Mendham, in that same area the Minister of Trade and Commerce referred to in answer to my question on the orders of the day. I shall read it, because it certainly gives an appreciation of the circumstances that affect farmers in that area. The letter is addressed to me:

> Dear Sir:
>
> A very serious situation is facing the farmers and business people of this district.
>
> Mr. Gardiner made a statement that more money has been paid out to farmers since August 1 than over the same period last year. This is not so in our district and neighbouring points.
>
> Since August 1 the average income of farmers here has been approximately $350. Thanks to the business firms which have been able to carry the burden till now. But there is a climax to all.
>
> Since August 1 we are short 70 box cars compared to the same period last year, besides the fact that a number of the 90 cars received this year was used to fill the 8 bushel quota of the previous year. The situation was serious then. How serious is it now?
>
> In comparison to the grain that has been moved from the prairies since August 1 where does the proportion of the grain of the Mendham district come in?
>
> We farmers hereby request that immediate action be taken so we get more box cars.
>
> Yours very truly,
> Bernard Zubot,
> Secretary of
> Mendham pool committee.

Mr. Speaker: May I interrupt the hon. member, not to call him to order but to make sure that if he has in mind concluding his speech by moving a subamendment, he does not attach his subamendment to the amendment proposed a short time ago, because it is my view that that amendment is not in order. As I read it the amendment deals with cash advances. It is a reasoned amendment, and a reasoned amendment must oppose the principle of a bill; it must be relevant.

The bill now before the house deals with credit, with the lending of money, whereas the amendment deals with cash advances. In order to make my point clear I would say that the distinction would be about the same as though the bill dealt with housing and an amendment was proposed dealing with rentals. That is the distinction which I have in mind. This bill deals with short-term credit whereas the amendment deals with cash advances, and in my view those are two different matters.

Furthermore, I would refer hon. members to the subamendment which was moved to the amendment to the address in reply to the speech from the throne by the hon. member for Rosetown-Biggar (Mr. Coldwell), and which appears at page 53 of *Hansard* for January 12, 1956. The amendment to the amendment moved by the hon. member for Rosetown-Biggar reads as follows:

> —including their failure to provide cash advances on farm-stored grain—

It is immaterial whether those advances were to be 75 per cent, 50 per cent or 95 per cent. The house divided; and the subamendment for the provision of cash advances on farm-stored grain was negatived on January 19. On that date the house expressed its judgment on this very question.

If there are any comments which hon. members would care to make I will be pleased to hear them.

Mr. Fulton: Before making any comment may I ask upon what citation or ruling you based the first part of your remarks, with respect to the relevancy of the amendment to the bill now under consideration?

Mr. Speaker: Citation 662 reads:

> The principle of relevancy in an amendment governs every proposed resolution, which, on the second reading of a bill, must not include in its scope other bills then standing for consideration by the house. Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee, not attach conditions to the second reading of the bill.

I gave as an example the distinction which could be made between housing and rental because I thought the house would remember that that case was before Mr. Speaker Macdonald a few years ago, and that was his decision.

Mr. Harkness: Mr. Speaker, I based my amendment on the authority of Beauchesne's second edition, paragraph 755, to be found at page 217, which reads:

> 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—

The rest of the paragraph is not applicable. I do not think there is any question but that this amendment is declaratory of some principle adverse to or differing from the principles, policies or provisions of the bill. As you have pointed out yourself, the bill provides for loans and the amendment provides

that the bill shall be withdrawn and that there shall be substituted legislation to provide for cash payments on farm-stored grain.

As I read this particular section of Beauchesne I would think it would be quite in order to introduce an amendment of that sort. I find that there are a number of precedents for amendments of this kind. At page 1136 of *Hansard* of March 27, 1950, will be found an amendment of a similar type. That amendment dealt with Bill No. 16, to amend the agricultural products act, and read as follows:

> That Bill No. 16 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introducing of a permanent agricultural products export act which would provide for the setting up of an export board, to fill present contracts, negotiate future contracts, and develop new markets abroad for surplus agricultural products.

Representations were made in connection with the amendment and it was allowed. On the same day another amendment of the same type was introduced, to be found at page 1157. This was in connection with Bill No. 17 to amend the Agricultural Prices Support Act. The amendment provided that floor prices should be established at such levels as to guarantee to producers a price-cost relationship.

Then on Wednesday, March 29, an amendment was moved which was really on all fours with this one. That will be found at page 1368 of *Hansard* for that date. The house was dealing with Bill No. 54 to amend the Fisheries Prices Support Act and the amendment moved read as follows:

> That Bill No. 54 be not now read a second time, but that it be resolved that in the opinion of this house consideration should be given to the introducing of legislation to amend the Fisheries Prices Support Act so as to provide that floor prices should be established at such levels as to guarantee to those engaged in the fishing industry a price-cost relationship not less favourable than that prevailing in the period 1944-48.

In view of section 755 of Beauchesne and these precedents I did not consider that there would be any question of this amendment not being in order.

Mr. Knowles: May I just ask one question?

Mr. Speaker: In quoting these precedents is the hon. member in a position to tell me whether in respect of any one of those cases there was a caveat issued by the Speaker, or some remarks made in relation thereto?

Mr. Harkness: In connection with the first one representations were made and the Speaker finally allowed the amendment.

Mr. Speaker: And stated that it should not be regarded as a precedent.

Mr. Fulton: Anything can be regarded as a precedent or not.

Mr. Speaker: That is just it. There are many times when a Speaker finds himself in the position of considering an amendment which is a borderline case. He lets it go at that, and what happens is precisely what is happening today.

Mr. Knowles: Might I ask just one question? When points of order are raised in the midst of an hon. member's speech it is often considered that the hon. member is at least partly responsible and the time taken up is charged against him. May I point out that this matter has been raised in the midst of the speech being made by the hon. member for Kindersley (Mr. Johnson). It was not his fault, and I hope the time taken up will not be charged against his 40 minutes.

Mr. Speaker: No. The only reason I interrupted the hon. member in order to deal with this amendment was that I wanted to protect his rights if toward the end of his speech he wanted to move a subamendment.

Mr. Fulton: On a point of order, as I understand it, it is suggested that the amendment might be out of order on one or both of two grounds; first, that it is not relevant to the bill now before us; and second, that it deals with a matter upon which the opinion of the house has already been taken. May I deal with those two points in that order?

I submit that my colleague the hon. member for Calgary North has effectively dealt with the question of the propriety of the amendment standing on its own, that is apart from the question of whether it repeats the amendment previously offered. But I would like to suggest, in addition to what he has said, that citation 662, which Your Honour was kind enough to refer me to in answer to my question, does not seem to be applicable under the circumstances. It reads:

> The principle of relevancy in an amendment governs every proposed resolution, which, on the second reading of a bill, must not include in its scope other bills then standing for consideration by the house.

I hardly see how this amendment could be said to include in its scope any other bill standing for consideration. The citation goes on:

> Nor may such an amendment deal with the provisions of the bill upon which it is moved—

Still it does not deal with the detailed provisions of the bill upon which it is moved. It suggests an alternative principle, an entirely different alternative, or rather an alternative not related to the detailed provisions of the bill. It asserts a contrary principle, and I make that statement without any

hesitation. It asserts a contrary principle without the adoption of which the hon. member moving the amendment could not agree to the bill. Then the citation continues:

—nor anticipate amendments thereto which may be moved in committee, nor attach conditions to the second reading of the bill.

I submit it is quite obvious that it does neither of those. Your Honour referred to the question of relevancy, and we may as well deal with all the points that have been raised. I wonder if the hon. member may have had in mind citation 657, which is the same as the citation already read by the hon. member for Calgary North from Beauchesne's second edition. This is exactly what is being done here. The hon. member is placing on record a special reason for not agreeing to the second reading of the bill, and is therefore moving a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill. He is thus advancing a different proposition, but it is still relevant because both the amendment and the bill itself deal with the same general subject. Your Honour, I think, distinguished them on the basis that the amendment deals with cash advances whereas you said the bill deals with short-term credit. I think you are placing an entirely too restrictive interpretation on the bill. May I read the short title?

This act may be cited as the Prairie Grain Producers Interim Financing Act, 1956.

It says "interim financing". The bill deals with the subject of placing cash in the hands of prairie farmers because of an emergency situation that has arisen.

Mr. Speaker: Through lending. How do you propose to make the cash advances?

Mr. Fulton: You are asking me to deal with the detailed provisions of the bill, which we are not allowed to do.

Mr. Speaker: No, I am not asking that of the hon. member.

Mr. Fulton: You certainly are.

Mr. Speaker: The hon. member said I placed too strict an interpretation—

Mr. Fulton: On the general principle.

Mr. Speaker:—on the general principle; and, since he was dealing with this, I just asked him for the purpose of clarifying my own stand how he defines it himself.

Mr. Fulton: I would suggest that the general principle or purpose of the bill is to place cash in the hands of prairie farmers which they require because of an emergency. The method by which that is to be done is dealt with under the detailed provisions of the bill, and the bill proposes in its detailed provisions to do it by guaranteeing loans through banks, but the purpose or principle is to place cash in the hands of prairie farmers.

My hon. friend from Calgary North says we propose to the house that the same purpose and principle be achieved, that is, that cash be placed in the hands of prairie farmers, but by another detailed method, namely by requiring the wheat board to make cash advances. So the principle of the two proposals is identical, and that, I submit to you, is proven conclusively by reference to the short title, "Prairie Grain Producers Interim Financing Act". The purpose is to enable the interim financing of prairie producers. One proposes in detail to do it through guaranteed bank loans; the other proposes to do it through cash advances by the wheat board. The amendment is most certainly relevant to the principle of the bill. It seeks to advance the same purpose as the bill seeks to achieve, only by a different and much more acceptable method.

I should have thought that Your Honour—and I make the suggestion with deference—probably attaches more weight to the proposition that this amendment has been anticipated by the amendment moved earlier by the C.C.F. party. I should like, then, to deal with that proposition. Here I think I should be able to convince you that the two amendments are different. The amendment moved by the C.C.F., which is to be found on page 53 of *Hansard*, proposed to add to the amendment moved by my leader on that occasion the following words:

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

The purpose and principle of that amendment was to condemn the government for not having done something. That was the sole object of that amendment. It was a motion of censure upon the government for their failure to do something, whereas the amendment now before us proposes, by way of a positive amendment, that the government, instead of proceeding by way of guaranteed loans, should proceed by way of cash advances. So I submit to you that to move censure of the government for its failure to do something is not the same as advancing in a substantive motion that another principle be substituted for the principle of the bill now before us.

I agree that it would be the same thing if we moved, say on a motion to go into supply, an amendment to censure the government for not having made cash advances. Then we

would be clearly repeating the previous motion, a motion censuring the government for failure to do something. But when the amendment before us moves that a bill be not now read a second time but that instead the house resolve that cash advances should be made, that is to my mind something quite different from a motion of non-confidence in the government condemning it for its failure, and a detailed failure; that is, a failure to provide cash advances equal to not less than 75 per cent of the initial price.

Mr. Speaker: May I interrupt the hon. member, just to ask him this. If the two motions—the one that was moved by way of a subamendment to the address in reply, and this one to the second reading of the bill—are in fact two motions on which the judgment of the house is required, would they then be regarded as the same if it were not for the fact that the hon. member contends that there is distinction between a motion of censure and a motion that is an amendment to the second reading of the bill?

Mr. Fulton: I think I have stated it as clearly as I can. To censure the government on one occasion, before any legislation has been introduced, for their failure to do a certain thing which is then positively stated, that is, make cash advances equivalent to 75 per cent, is a different thing from saying on this occasion that the bill should not be read a second time now but that in the opinion of this house consideration should be given to the introduction of legislation which will provide for cash payments on farm-stored grain. I do not think I could be making any argument at all if such an amendment had been moved as a vote of censure or non-confidence on a supply motion, but when a positive alternative is put forward by way of amendment to the motion for second reading of a bill I submit that the one motion has not been anticipated by the other and that there is sufficient difference, if you like, to make this another borderline case upon which you should perhaps reserve your final decision.

Mr. Speaker: Before the hon. member concludes his argument, may I say that I am very much interested in all he has said. Of course he realizes there is the general principle that no two questions substantially the same should be offered to the judgment of the house in the same session. That is the principle, and I would point out to him that by ancient usage the formalities attached to the presentation of an amendment to the motion respecting the address in reply to the speech from the throne involve an addition to the motion, and that an amendment to the second reading of a bill is made by way of deleting all the words after "that" and inserting other words. These are the formalities as to the method of presenting a motion, but I would submit to the hon. member that they do not alter the principle that two motions substantially the same shall not be offered to the judgment of the house in the same session. He has already agreed that these two are substantially the same.

Mr. Harris: Mr. Speaker, I rarely intervene in these discussions because I think you set things before us fairly clearly, but for the record I do want to dissent from the suggestion made by the hon. member for Kamloops that if the opposition on the address, on the six supply motions or on the budget cast their reflections on the government in a negative form, they are not then held accountable to the rule of anticipation. That in effect is what he has just said; and if what he has said should happen to become the practice of the house we would have these motions made from the beginning until the end of the session, and none of them precluding similar motions provided they are cast in the positive sense thereafter. I do not think even the hon. member for Kamloops seriously recommends that course.

On that point let me say this. In the wording of the subamendment moved by the C.C.F. party it is true that the word "legislation" was not used with respect to cash advances, and it is in the amendment before us; but any amendment or subamendment that may be moved on the address is, in a negative sense, based on the absence of legislation by the government, and the use of the word in itself is not necessary to indicate that what the opposition does mean is that we ought to do something by legislation.

Mr. Speaker: Have all representations been made? I am very grateful for the manner in which this point has been dealt with. I shall be pleased to look into the various cases the hon. member for Calgary North has suggested to me. They are all recent cases, and I had one of them right before me. I have just returned it to the Clerk. It was the one that had to do with the marketing board case, and I read the remarks of the Speaker of that day. As I say, I could be very lenient in respect of all these amendments and say, "Well, it is a borderline case; let this not be taken as a precedent and we will carry on from there." However, one of these days a member will stand up and say there were four or five amendments which were all borderline cases, and ask me why I did not consider his as a borderline case.

Grain

I am basing my remarks today on principles, and I am prepared to state them to the house. The hon. member for Kamloops has doubted the point I made with respect to relevancy. There is no question about relevancy—Perhaps some of these days the house may consider doing for the Speaker of the House of Commons what has been done for the Speaker of the commons of Australia, give him a table which could be removed on ceremonial occasions and replaced during debates during which the Speaker has to refer to many books—I have before me May, fifteenth edition, and at page 508 there is the following:

> The principle of relevancy in an amendment governs every such motion.

This is the chapter dealing with the second reading of bills and amendments thereto, and in saying that May refers to page 400 of the same volume where I find the following:

> The fundamental rule that debate must be relevant to a question necessarily involves the rule that every amendment must be relevant to the question on which the amendment is proposed.

This is why, in order to illustrate my point of view, I indicated to the house the distinction between housing and rental. I remember that when a bill regarding housing was presented in the house either the hon. member for Rosetown-Biggar or the hon. member for Winnipeg North Centre proposed an amendment regarding the control of rentals. It may be that the Speaker of the time did not quite make that point. Perhaps he did not rest his judgment exclusively on that point, but having looked at them I think that this is the best point.

The amendment would switch the discussion from credit to cash advances. Therefore what would we have? We would have a debate which would be a repetition of that which took place on the amendment to the address in reply moved by the hon. member for Rosetown-Biggar in January.

There is no question as to the second principle, that no two questions substantially the same shall be offered to the house for its judgment in the same session. I would point out to the hon. member for Kamloops that the only difference between an amendment to the second reading of a bill and an amendment to the address in reply which he calls a vote of censure is in the method of presentation, which has been fixed by ancient usage, and which provides that an amendment to the address in reply to the speech from the throne has to be made by way of addition whereas in this case an amendment has to be made differently. Is there something else the hon. member wishes to say before I put the final point?

[Mr. Speaker.]

Mr. Fulton: I was just going to say that there are frequent occasions when the difference between two subjects may be very little but still important, such as between men and women.

Mr. Speaker: I am sorry, I did not quite get the last part of what the hon. member said. Would he be good enough to repeat it, please? It seems to be very important.

Mr. Fulton: Because it is Valentine's day and I have a sense of gallantry I said "such as between men and women." It is very important.

Mr. Speaker: Much to my regret, for the reasons I have given and the authorities I have cited, I must rule the amendment out of order.

Mr. Johnson (Kindersley): Mr. Speaker, I should like to thank you for resolving this point before I had completed my remarks because while I did not have an amendment to move to the amendment moved by the hon. member for Calgary North, I have an amendment that I am going to move which is in a slightly different vein.

The last time I was on my feet I was discussing the amendment of the hon. member for Calgary North. Since it has now been ruled out of order I presume I could have another 40 minutes, but I can assure the house I am not going to take that long.

I was interested to note the tactics used by the official opposition in introducing this amendment. Their tactics were appreciated, because they indicated they are prepared to follow our leadership in fighting the battle for the western farmer to achieve cash advances on farm-stored grain, and that they will oppose this legislation which is inadequate.

One of the main reasons, Mr. Speaker, for the financial plight of the western farmer is the inefficiency of the transport controller. I have a copy of a resolution from the municipality of Miry Creek, which is south of the Saskatchewan river and in a similar area to the Burstall subdivision referred to in my question this morning. This is a copy of a letter which was sent to the Canadian wheat board and it says:

> At the regular meeting of the council of this municipality on the 3rd instant, a resolution was passed to acquaint your board with the unequal distribution of box cars for grain hauling. This discrimination or unequal distribution of box cars having a serious financial effect on those farmers who must utilize the services of the Canadian Pacific Railway.
>
> It has been pointed out that on the north side of the South Saskatchewan river, which is serviced by the Canadian National Railway, there appears to be no shortage of box cars. In fact, the farmers there have filled their 3-bushel quota and we are advised that there is sufficient space available for another 1 bushel quota.

Generally speaking, the farmers on the empress line of the Canadian Pacific Railway have been able to haul only the original unit of 300 bushels. At present, there is no further room available for additional delivery of wheat should a quota open.

That is signed by G. L. Brace, secretary treasurer of the rural municipality of Miry Creek. It gives us some indication of the failure of the individual charged with the responsibility of seeing that the marketing points in western Canada have an equal opportunity to market grain. On November 21 and November 22 when I visited that area I became aware of the inequalities. As I crossed the South Saskatchewan river it became obvious that there was a shortage of space on the Canadian Pacific Railway line. At that time I wired the transport controller from both Sceptre and Richmound, but received no reply. Representations were again made when I came to Ottawa; I tried to communicate with the transport controller but found he was not available. I am asking now, just who is responsible for fulfilling the duties of the transport controller when he is out of town? I presume it is his $50 per week secretary.

One other manifestation of this problem of car allocation is the discrimination against farmers who wish to deliver to the elevator of their choice. In Saskatchewan pool district No. 4 we find that to date, compared with the same period last year, there is an increase in the percentage of wheat shipped from 14 stations by an average of 3·7 per cent, but there is a decrease in the percentage at 19 stations of an average of 5·2 per cent. This is perhaps just another aspect of the problem introduced by the hon. member for Kootenay East (Mr. Byrne) at page 1009 of *Hansard,* when he stated:

I grant that one hon. member said yesterday that one of his constituents wrote and told him he had been unable to deliver any grain since the fall of 1954. At the same time he went on to say it was because he could not deliver to the elevator of his choice. Well if the constituent is so independent as to insist on the elevator of his choice, then he cannot be as badly in need of cash as the hon. member would seek to establish.

That is the attitude of government members on the agriculture committee, because they do not appreciate the democratic principle of allowing farmers to deliver to the elevator of their choice. They take the attitude that if it is all right with the United Grain Growers and the line elevator companies, it is all right for the farmers to make them deliver to any elevator in which there is room.

At the same time the hon. member for Kootenay indicated that he was asking this house to agree to a recommendation by Mr. Justice Sloan to take away the statutory Crowsnest rates. Well, Mr. Speaker, if that indicates the thinking of the government backbenchers, the farmers in western Canada certainly should be made aware of it so they can govern themselves accordingly.

We are opposing this legislation for fear it will prevent the introduction of the legislation that is needed. We object to the method of introduction by television programs. Evidently our friends in the Conservative party, who have objected to smaller things, take no objection to the fact that this program went on the air. We found that recently when a certain program did not go on the air, they joined us in protesting. We protest the failure of the government to accept the democratic representations of the farmers, and the failure of the government to follow the advice of farm organizations.

The threats and the intimidation levelled at the members of this party in particular by the Minister of Trade and Commerce are an indication of how right we are in opposing this measure. The minister has tried to deceive us in the same way one might try to deceive a small child into thinking that a bitter pill will be sweeter if followed by a bit of honey. The minister has told us we are not to be allowed to discuss the legislation relating to the payment of storage charges until we have swallowed this bitter pill. I think we are going to continue to discuss this until, as the hon. member for Winnipeg North (Mr. Stewart) pointed out, we can get some indication the government is prepared to take the action desired by the farmers.

There are various other arguments I could use to support my contention that this proposed legislation, as indicated by the title of the bill, is nothing but a farce. It is deceitful all the way through. I am hoping that by debating the issue we might be able to open some of the wilfully blind eyes of the members of the government. I therefore move, seconded by the hon. member for Winnipeg North:

That Bill No. 82 be not now read a second time but that the subject matter thereof be referred to the standing committee on agriculture and colonization.

Mr. W. A. Tucker (Rosthern): I do not intend to detain the house very long, but I would point out that if the amendment were carried it would defeat the principle of the bill. Unless the government saw fit to introduce a further bill, then of course this measure of relief to our farmers, whether it is deemed adequate or inadequate, would be denied. I would point out to members of the house that if they vote for the amendment moved by the hon. member for Kindersley

it will kill this bill just as effectively as if second reading were actually defeated.

There is just one further point I wish to bring forward in regard to a question about which there seems to have been some confusion. I notice an attempt has been made in the Manitoba legislature to clear up the matter. As has been pointed out, the marketing conference in Saskatoon asked for cash advances on farm-stored grain. I suggested to the house when I last spoke that when they asked for that they deliberately did not ask that it should be made through the wheat board; they did not specify in what way those advances should be made. They contemplated that those advances were in the nature of loans because they specified the way in which they should be repaid, and they dealt with the question of the interest they should bear. I suggested that an advance made to somebody which is repayable with interest is a loan.

The suggestion made in the amendment that was just ruled out of order, which apparently represents the position of the Progressive Conservatives at this time, does not refer to cash advances at all. It refers to cash payments. The Progressive Conservative party have changed their position in the matter altogether.

Some hon. Members: No.

Mr. Tucker: As proof of that I should like to read what their leader in Manitoba had to say on the matter. I am reading from the Winnipeg *Free Press* of February 11:

> Opposition leader Duff Roblin moved the original resolution. It asked the legislature to "affirm its belief in the just claim and need for cash payments without interest" at once for grain stored on farms.

I notice the proposed Conservative amendment today referred to cash payments, not cash advances. Mr. Roblin made it very plain that this was their position when he spoke in the legislature. Here is what he said. He emphasized that he was not asking for cash advances but cash payments. I ask you, Mr. Speaker, to note that the Progressive Conservative leader in Manitoba stated definitely that he was not asking for cash advances; he was asking for cash payments. These should be a partial payment for wheat stored on the farm.

It is quite obvious, Mr. Speaker, there has been a change in position on the part of the Conservative party in the matter. Let there be no doubt about it, because their own leader in Manitoba said he was not asking for cash advances; he was asking for cash payments.

[Mr. Tucker.]

When I endeavoured to state in the house what the marketing conference did in Saskatoon, my friends across the way, particularly the C.C.F., had a lot to say about it. They claimed that I was suggesting something that was not right and that I would not be able to sell it. Later on the hon. member for Saskatoon (Mr. Knight) rose in his place and said I had misrepresented what had been done at that conference.

Mr. Ellis: Hear, hear.

Mr. Tucker: I understand the C.C.F. say "hear, hear" to that. I am going to read something that I think will carry conviction to every hon. member in this house except those who absolutely refuse to accept facts no matter how plainly proved. I hold in my hand a document entitled "The submission to the government of Canada respecting the urgent need for cash advances on farm-stored grain in western Canada." It is dated October 11, 1955, and was presented by: The Alberta department of agriculture; Manitoba department of agriculture; Saskatchewan department of agriculture; Saskatchewan wheat pool; Manitoba farmers' union; United Grain Growers; Saskatchewan federation of agriculture; Manitoba federation of agriculture and co-operation; Alberta federation of agriculture; Saskatchewan farmers' union; interprovincial farm union council; Alberta farmers' union.

I shall read from this submission, Mr. Speaker. Here is what it had to say in dealing with the marketing conference in Saskatoon. Pursuant to the resolution passed at that marketing conference, a committee representing that conference met the government to make this submission and here is what they presented. I am reading from page 5 of the submission:

> While the long-term agricultural problems also received consideration the immediate problem of cash shortage held the spotlight at the conference and resulted in the following resolution being passed:
>
> "Be it resolved that the organizations participating in this conference urge the government of Canada to make immediate provision for advances to farmers on grain in store on the farm and further that these advances should be up to one-half the value of the normal delivery expected and should be repayable on the basis of one-half of the value of each delivery made by the farmer."

The submission goes on to say:

> While the principle of cash advances on farm-stored grain was unanimously endorsed by the organizations present at the conference various proposals were offered on the mechanics of making these advances. Proposals offered included a financing arrangement through the Canadian wheat board; financing through the banks; financing through a separate agency to be established for this purpose; and a proposal was made that the rural municipalities be used as a means of making the cash advances.

Opinions varied on the rate of interest to be charged the farmers, ranging from interest-free loans to a rate of 3 per cent. But all were agreed that existing commercial interest rates were excessive.

This delegation as assembled at Ottawa, on October 10, 1955, endorses the principle of advances on farm-stored grain and believes that it must be made a practical reality. We would strongly urge that these advances be made immediately and that the interest rate, if any, be kept at a minimum.

Mr. Ellis: If any.

Mr. Tucker: Yes, but unanimously endorses advances which may bear some interest. I suggest that hon. members consider this. They submitted exactly the same resolution that was passed at the marketing conference. They unanimously endorsed the idea that cash advances should be made, but they did not say what the mechanics should be to make those advances.

Mr. Ellis: They did not ask for bank loans.

Mr. Tucker: They did not exclude bank loans.

Mr. Ellis: They did not ask for them.

Mr. Tucker: I suggest to the hon. member it may be his idea of carrying on debate to interject, interrupt and try to break down the trend of thought. I can understand very well why hon. members opposite have, deliberately or otherwise, misrepresented what happened at that farm marketing conference, and why they should not want the record put straight, but I also suggest that this house is not going to be dominated and dictated to by a few C.C.F'ers who are determined to misrepresent this matter.

I told this house, and it was objected to over and over again by the C.C.F. opposite that this marketing conference had unanimously endorsed the idea of cash advances, but it left open the whole question of the mechanics by which those advances should be made. Hon. members will recall how that suggestion was jeered at by members of the C.C.F. opposition. I have now brought this submission, signed on behalf of the government of Saskatchewan, endorsing every word I said.

I ask hon. members opposite to bear in mind their attitude in this matter, how they were anxious to misrepresent the position of the government and of western Liberal members, and how they tried to prevent me from putting this before the house. Yet they, as a minority in this house, are treated by Mr. Speaker and the Liberal majority in this house in a way that I wish the legislature of Saskatchewan could just see and compare with the way in which the Liberal opposition is treated in the legislature where the C.C.F. have a majority.

I ask you to bear in mind, Mr. Speaker, when I was attempting to put this to the house the sort of opposition I got from the C.C.F. opposite. They interrupted deliberately and tried to prevent me from putting it before the house. The point I was putting before the house is this, Mr. Speaker.

Mr. Argue: Nobody is objecting to what you are doing; table it.

Mr. Ellis: Put it in *Hansard.*

Mr. Tucker: Yes, but it is no thanks to you. If the majority in this house acted the way you did it would be impossible for anyone to put in anything you disagreed with.

Mr. Knowles: Are you addressing the Speaker?

Mr. Tucker: I am not addressing the Speaker because I am being interrupted. The hon. member for Winnipeg North Centre is a great exponent of proper rules of procedure. I wonder if he agrees that the attitude that has been taken by his colleagues is proper. Every time anyone attemps to make a statement with which they disagree they interrupt, ask questitons, jeer and try in every way to stop it. If the whole Liberal party in this house were to take toward them the same attitude they take when somebody is dealing with something with which they disagree, I wonder if they would not object more strongly, and properly so. I wish to make this point again—

An hon. Member: Which Mr. Tucker is speaking?

An hon. Member: Is it the eastern or western Mr. Tucker?

Mr. Tucker: The point I was making, Mr. Speaker, is this, and I shall repeat it again and it cannot be denied; that the marketing conference in Saskatoon had asked that advances to farmers be made by the government. It did not say that they should be made through the wheat board but left it to the government to decide how they should be made.

Furthermore, when the question was raised about what was done by the Rosthern executive I said we took the same attitude. We took the attitude that advances should be made, and it was left to the government to decide how they should be made. I said that the government was providing for advances to be made to the farmers through this farm loan bill and that this was consistent with what this marketing conference had asked for. That was jeered at, particularly by the C.C.F. opposition. Now I have the proof, Mr. Speaker. This document here shows this was

concurred in by the Saskatchewan government. All they did was endorse the principle of cash advances and they did not go any further—

An hon. Member: That is your interpretation of it.

Mr. Tucker: —and ask that they be made through the wheat board or in any other way.

An hon. Member: Or the bank.

Mr. Tucker: Are my hon. friends going to tell this house that if this marketing conference or the representatives of these organizations had wanted advances to be made through the wheat board, they did not know enough to say so in so many words?

Mr. Ellis: Why didn't they mention the banks?

Mr. Tucker: They did mention the banks. Apparently my hon. friend did not hear me say that.

An hon. Member: Why don't you listen?

An hon. Member: He does not want to.

Mr. Tucker: The hon. member is so busy talking that he did not listen. I will read it again:

> While the principle of cash advances on farm-stored grain was unanimously endorsed by the organizations present at the Conference, various proposals were offered and the mechanics of making these advances. Proposals offered included a financing arrangement through the Canadian wheat board; financing through the banks; financing through a separate agency to be established for this purpose; and a proposal was made that the rural municipalities be used as a means of making the cash advances.

Does this delegation representing these organizations go on then and say we endorse the principle of this being done through the wheat board? They do not. They just say we endorse the principle of cash advances and ask that they be made at as low an interest rate as possible. Does not the fact that they refer to interest show it is not a payment on grain on the farm? Whoever heard of a person being paid for his wheat on the farm and then having to pay interest on the money he got paid for that wheat? And when these organizations say that the interest rate should be kept as low as possible they are obviously contemplating a loan—

An hon. Member: If any.

Mr. Tucker: —in one way or another. Anyone who understands the English language must know that. Here is the unanimous representation of all these organizations including the Saskatchewan government, and then the opposition say that the government is ignoring the wishes of western agriculture. In saying that, Mr. Speaker, they are deliberately misrepresenting the record.

Mr. Knowles: Mr. Speaker—

An hon. Member: Let him go on.

Mr. Tucker: They are deliberately misrepresenting the record.

Mr. Knowles: Mr. Speaker—

An hon. Member: Sit down.

Mr. Ellis: Consider where it comes from.

An hon. Member: Let him go on.

Mr. Knowles: Mr. Speaker, citation 256 of Beauchesne's third edition states that it is improper to accuse hon. members of misrepresentation. This hon. member has repeatedly said that certain hon. members have deliberately sought to misrepresent the record. I submit that in doing so the hon. member is out of order.

Mr. Tucker: If the hon. member for Winnipeg North Centre will say that the C.C.F. party are so stupid that they cannot understand these plain words, then I take it that it is being spelled out that I should not have said that they sought to misrepresent the record but that they are so stupid that they cannot understand plain English, because the record shows what the government has done is consistent with what was asked for by the farm organizations and concurred in by the Saskatchewan government.

Mr. Knowles: May I ask the hon. member a question?

An hon. Member: Sit down.

Mr. Knowles: Is he inferring from the reference he is making to these documents that the Saskatchewan government supported anything more than the recommendation that there be cash advances? Is that not the only part on which there was unanimity?

Mr. Tucker: Mr. Speaker, I tried to make it plain what I was saying but the hon. member was apparently so pleased by the uproar of his colleagues around him that he did not hear what I said.

Mr. Knowles: I heard it. The hon. member spoke loudly enough.

Mr. Tucker: I will read it again and I will ask the hon. member to listen this time if he will be so good as to do so. I said that the marketing conference had endorsed the principle that advances should be made to the farmers against grain on the farm—

Mr. Knowles: And on that there was unanimity.

Mr. Tucker: Yes, I said that. I do not interrupt you every word you say.

Mr. Knowles: Let us get it clear that this is the only point on which there was unanimity.

Mr. Tucker: Yes, but if you require an explanation of every sentence I utter then you are not as brilliant as I thought you were.

Mr. Knowles: The hon. member is trying to confuse the issue.

Mr. Tucker: I will say this again. I stated to the house that the principle of cash advances on farm-stored grain was unanimously endorsed by this conference—

Mr. Knowles: Hear, hear.

Mr. Tucker: —but I said various proposals were made at that conference as to the means of making those advances. I said the suggestion was made that they be made through the wheat board, through the banks, through their own municipalities; but the conference decided not to decide on any one of those means but to leave it to the government to work out the mechanics for making those advances.

I said that the government in deciding to make the advances through the banks was making a decision which was quite consistent with the position of the marketing conference; and that was questioned and jeered at by the C.C.F. opposition. Now I have the definite submission concurred in by the government of Saskatchewan which says that the only thing agreed to at that conference was that advances should be made; that various suggestions were made as to the mechanics of making these advances—and they mention them again—and they did not decide which they wanted done but just asked that the government provide advances and go on to say that they should be made at as low an interest rate as possible.

Mr. Ellis: The government is not making advances.

Mr. Tucker: I do not expect to convince the hon. members because they think they have stored up enough misunderstanding and have presented the idea that the government ignores the wishes of the representatives of western agriculture, and they are thinking how much good this is going to do them politically.

An hon. Member: Oh, dear.

Mr. Tucker: They hate to have the record set straight and now I tell them—

Mr. Ellis: You are the last person to do that.

An hon. Member: Hear, hear.

Mr. Tucker: I think I have done so to the satisfaction of the house and also to the satisfaction of you people.

Mr. Knowles: The hon. member tried to apply the unanimity to more than he was entitled to apply it.

An hon. Member: When is the government going to make advances?

Mr. Tucker: The hon. member asks when we are going to make advances. My answer would be this: The government has followed the wishes of the representatives of western agriculture and has brought in a bill to provide for those advances, but the opposition holds it up and makes the announcement that they are going to stop the bill going through if they can. Then they ask why do we not put the bill through. These advances are what was asked for by the representatives of western agriculture and that cannot be denied.

Mr. McCullough (Moose Mountain): Mr. Speaker—

Mr. Howe (Port Arthur): Mr. Speaker, are we having a debate on second reading or—

The Acting Speaker (Mr. Applewhaite): I did not hear the point of order raised by the minister.

Mr. Howe (Port Arthur): On second reading I do not think that this speech should be allowed to degenerate into a debate.

The Acting Speaker (Mr. Applewhaite): I have some sympathy with the point raised by the right hon. minister who is sponsoring the bill, but I think we should realize that the debate on this matter has gone quite far afield. Apparently it has been a question of the discussion, not only of the circumstances which placed the farmers in their present position but of the circumstances leading up to the introduction of this particular type of bill. While I do not think it would be fair for me to refuse to allow one member to reply to statements of a strongly provocative nature when made from the other side, I think perhaps the time has come when we might get back to the basic question now before the house which is whether or not Bill No. 82 shall pass its second reading or whether alternatively it shall not pass its second reading and that the subject matter thereof be referred to a standing committee.

I do not think that I can in fairness rule out of order much of the argument made by the hon. member for Rosthern (Mr. Tucker) because I think if I did so most of the preceding speeches and those at the resolution stage would be equally out of order. Perhaps

hon. members would give consideration to coming back to the matter we are discussing, which is whether or not this bill shall be approved in principle or shall not be approved at the moment but the subject matter referred to a standing committee of this house.

Mr. Tucker: All I wish to say in conclusion is that I want to make it plain that to begin with all the marketing conference asked for was cash advances. What the Conservative opposition and the C.C.F. are asking for today are cash payments. They are asking for something altogether different. The government is following out what was asked for by the representatives of the farm organizations while the opposition is asking for something different.

Mr. Knowles: They asked for bread and you are giving them a stone.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I listened with great interest to the debate this afternoon, particularly that part of the debate prior to your ruling. Taking your ruling into consideration I shall attempt to stay within the terms of the bill. In doing so I should like to make it clear that this group supported the resolution, not because we thought that short-term loans which it provided were one bit better or as good as cash advances but because we saw there an opportunity to get some cash into the hands of the farmers of the west right away.

I do know that our organizations in the west want cash advances, they do not want bank loans. It happens that the farmers of the west are not in the privileged position of being able to get what they are entitled to and therefore we will likely have to be content with some type of bank loan. Why do the farmers need cash? I think that has been amply explained to this house already There is an extreme shortage of money in the west at the present time. I hope that that fact has been impressed upon the minds of hon. members of this house to the extent that they realize it is true. It is not only the farmers who are short of cash, it is the businessmen as well. They will continue to be short just as long as the present government system of financing the marketing of wheat continues to be what it is.

It is said that this bill provides short-term credit to grain producers in the prairie provinces, but I submit that it does not do that. It provides short-term credit to some grain producers, but it does not provide credit for that group of young farmers who are becoming established on farms. I know of several who have approached bank managers for loans but who were refused on the basis that they did not have sufficient security other than 5,000 bushels of wheat on their farms. I can produce evidence of this. It is for these reasons that we do not feel that the government's proposal is going as far as it should.

It has been suggested that an interest rate of 5 per cent will be charged on the loans issued by the banks and in our opinion this rate is far too high. It was pointed out this afternoon that it is possible for parties other than farmers to borrow from banks with some type of guaranteed security at less than 5 per cent. We cannot see why the farmers should be charged 5 per cent and when the bill reaches committee stage we will undoubtedly attack that portion of it.

It seems to us that this is a costly way of supplying cash advances. The last speaker tried to convince us that this was a type of cash advance to the farmer, but I could not follow his argument. However, he is entitled to his own opinion.

We propose to endorse the amendment and we would like to get into committee in order to be able to study the features of the bill, We would like to see that done soon so that some form of cash advance to the farmer can be made as soon as possible. I cannot see why so much time should be wasted in getting this bill to the committee stage where we will be able to sit down and discuss intimately its features.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, originally I had intended to speak in support of the amendment moved by the hon. member for Calgary North (Mr. Harkness), but as that amendment has been ruled out of order I must confine my remarks to the general principle of the bill and also make reference to the amendment introduced by the hon. member for Kindersley (Mr. Johnson). I am sorry that the hon. member for Kindersley does not see eye to eye with the official opposition in connection with this matter. I had hoped that there might be a certain degree of unanimity among western members on this matter of providing, as the bill describes it, temporary financial assistance to the grain producers of western Canada. Actually as I interpret the situation and as I review in my own mind the discussion that has taken place on this subject, I see that there is no widely divergent viewpoint at all so far as the opposition viewpoint is concerned. I am very sorry that the hon. member for Kindersley (Mr. Johnson) has tried to suggest that there is a divergency of viewpoint. This is one of the basic problems of the prairie grain farmer at the present time, and it requires united action on the part of all of us from western Canada.

I listened with a great deal of interest to the contribution a few moments ago by the hon. member for Rosthern (Mr. Tucker). He tried to intimate that the official opposition is divided, provincially and federally, on its attitude towards this important issue.

The Acting Speaker (Mr. Applewhaite): Order. I apologize to the hon. gentleman for interrupting him but I am going to take this opportunity to say something which perhaps should have been said in this house before. When a member has the floor, hon. members who sit in his close neighbourhood sometimes carry on their own conversations. While they do not realize it, with the aid of the loudspeaker system we have at the present time, at a distance from the member who is speaking we get all voices at practically equal level. It is almost hard, at this distance from the person who has the floor, to hear what he is saying.

Mr. Wylie: I rise on a point of privilege. I have sat here for a number of years and, when one of our members gets up to speak, I have always noticed that on my immediate right there is a good deal of noise, but when one of their hon. members gets up to speak, one of their members will tell me to keep quiet if I am talking. I think this is a very good point. The hon. member for Winnipeg North Centre (Mr. Knowles) is perhaps one of the members of this house who knows most about parliamentary procedure, but I quite truthfully say there is not a member in the house who breaks the rules more often than the hon. member for Winnipeg North Centre.

The Acting Speaker (Mr. Applewhaite): I rose in order to assist the smooth running of this debate, and I do not propose to allow at this time a debate on an entirely different subject. I have some sympathy with the general viewpoint expressed by the hon. member for Medicine Hat. I point out to him that he is entitled at any time to appeal to the chair to maintain quietness and order in the house when he is speaking. This I have endeavoured to do for the hon. member for Brandon-Souris, whose time for this afternoon is limited, and the time taken by interruptions will not be deducted from his time.

Mr. Wylie: That is what I was endeavouring to do.

Mr. Dinsdale: Thank you, Mr. Speaker, for those remarks. I would also like to thank the hon. member for Medicine Hat for his observation, because I do find that members immediately to my left are sometimes a little on the noisy side.

An hon. Member: We like you, Walter.

An hon. Member: That is unfair.

Mr. Dinsdale: That is true. I was going to say that politicians generally from Saskatchewan seem to be somewhat on the noisy side and not quite so subdued, shall I say, as their neighbours from Manitoba and obviously, judging from the remarks of my hon. friend from Medicine Hat, their neighbours from Alberta.

However, I was referring to another politician from Saskatchewan on the opposite side of the house, the hon. member for Rosthern, who indicated that there was some difference of opinion between the provincial Conservative group and the federal Conservative group on this matter of providing cash assistance to farmers at the present time. He quoted from a newspaper account to the effect that the leader of the opposition in the Manitoba legislature called for cash payments rather than cash advances. Well, that is a newspaper report, and obviously the attempt to drive a wedge between two political groups is the technique of splitting hairs. I do not know whether I am allowed to do so, but I have the verbatim report of the speech by the leader of the opposition in the Manitoba legislature, and the wording in that speech quite specifically refers to cash advances to farmers with grain in storage on the farms. I would suggest that this verbatim report is much more accurate than any newspaper report of what he said could actually be.

Furthermore, on that score, not only is the opposition in the Manitoba legislature in favour of the cash advances scheme, but also the throne speech delivered in the legislature came out very strongly on behalf of the principle of cash advances in preference to the method proposed in the bill now before us as it has been enunciated by several members, "an act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain."

I would submit that in principle this measure falls short of meeting the situation on two fundamental points. First of all, as I understand the situation in the west, and as it seems the majority of other members understand the situation, this is not what the prairie grain farmers have been requesting. They have invariably requested the cash advances principle. Not only have they as individual farmers maintained this unswerving viewpoint, but also their organizations and the provincial legislatures—so far as I know, the provincial governments—have also asked for the same principle. So, in view of those

circumstances, it is past understanding why this bill is before us at the present time. It is going directly in the face of the requests of the prairie grain farmers.

The other point I wish to emphasize is that it does not take care of the problem existing in the west at the present time. It does not do what it says it is going to do, that is, provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain. The phrase I should like to emphasize is "temporary financial difficulties". I feel that the use of that phrase is indicative of the fact that the government has failed completely to understand the nature of the economic problem that exists in our grain growing economy at the present time. I would suggest that not only does this measure not deal adequately with the immediate shortage of cash on the prairie farms but also it fails to take into consideration the fact that this is a long-term problem that arises from fundamental changes in the Canadian economy and also in the world economy itself.

On this point I should like to submit, Mr. Speaker, that in recent years Canada has been producing more and more grain. The suggestion is put forward that this is merely a temporary situation and that at any time the situation will reverse itself in the event of a drought or unfavourable conditions. That of course begs the question because at the moment the situation is—it has been so for the past decade or more—that the prairie region is producing more and more grain, more and more wheat on approximately the same acreage. At the same time, unfortunately, Canada's over-all proportionate share of the export market has been declining. For years we had 30 per cent of the total export market for wheat. We have hardly been holding that percentage notwithstanding the fact that the total world demand for wheat has been growing during recent years.

The bill before us refers to a temporary financial difficulty. I suggest that the financial difficulty is not a temporary one but is a problem that will continue for some years into the future until such time as the government moves to deal adequately with the changed circumstances in which Canada finds itself in relation to world markets. The wheat grower is dependent upon the export market to dispose of his crop, and the difficulty becomes more acute when he is in a position where he produces an abnormal amount of grain. Unfortunately the world market situation, instead of improving in the post-world war II climate, has been growing increasingly difficult.

[Mr. Dinsdale.]

Economic nationalism has been a factor of increasing prominence. We find that today our Canadian wheat trade operates within a jungle of import restrictions, milling prescriptions, tariffs, subsidies and the like which is the result of the growth of national policies in both import and export countries. If we are going to deal adequately with this so-called temporary financial difficulty, Canada must be placed in a position where she is competitive with other countries who are also participating in the export market for grain. Since the war we have attempted to deal with the problem by various international agreements, the international wheat agreement and also such United Nations organs as the food and agriculture organization. That approach to the problem is all to the good and should be encouraged.

It is becoming increasingly obvious, however, that, with the world situation now confronting us, we are not going to find any easy solutions to the problem of international trade. When the government suggests that the wheat board is not in a position to provide more adequately for the financial crisis of prairie wheat farmers, I think it is admitting that it is not willing to stand behind the wheat board. At the present time all other exporting countries, without exception, stand substantially behind the wheat producers in their particular countries. In Canada, however, the answer the government has given to the suggestion of the opposition that the present scheme of government-backed loans is inadequate and will not deal with the problem and that instead cash advances should be provided is to the effect that the wheat board is not in a position to provide such relief to the prairie farmers. That is suggesting that the government of Canada is not willing to stand behind the wheat board and give it the necessary support in order to deal adequately with the critical cash shortage of Canadian wheat growers at the moment.

I made the point before and I repeat that Canadian wheat growers are the only growers who are not assisted by their government in reaching a truly competitive situation in the world market. The wheat board, as it has been repeatedly pointed out, has no other moneys except those which it obtains from the sale of the farmers' wheat. Up until this year the farmer has been paying substantial amounts for storage charges, which has reduced his final payment. The government is moving to alleviate that to a certain extent through payment for excess grain in storage, but other than that the farmer has borne the total cost of handling his grain from his own money as realized from the

sale of grain by the Canadian wheat board ever since the board was established.

In carrying out this policy I say that the Canadian government is the only government that has placed the grain producer in this position. I do not have time to go into the details of the matter but it is obvious that there is a wheat war going on in the world. If we merely examine the attitude of our neighbour to the south we see that her position regarding wheat production has changed completely in the past few years. At one time she hardly produced enough for her own domestic consumption. I believe that pre-war domestic consumption in that country was approximately 600 million bushels while production amounted to 700 million bushels so that her contribution to the world market was merely nominal. But now she has completely reversed that position and instead of producing 700 million bushels of grain she is producing up to 1 billion bushels and has occupied the position that Canada formerly occupied in the export market. I believe the emphasis on a temporary cash shortage and temporary financial difficulties falls far short of a realization of the actual situation. I believe it is five o'clock, Mr. Speaker.

The Acting Speaker (Mr. Applewhaite): It being five o'clock, the house will proceed to the consideration of private and public bills.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): The business reserved for this hour having been disposed of, the house will revert to consideration of the business interrupted at five o'clock.

GRAIN

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

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

Mr. Dinsdale: At five o'clock I was making the point that in the light of the steps taken to deal with the situation at the moment it is obvious the government does not fully appreciate the problem prevailing in our grain growing economy. I mentioned, as an example, the relative change in the position of Canada and the United States in the markets of the world. We must always remember that, in order to have a healthy grain growing economy, Canada must constantly keep in mind that we are dependent upon the export market and must occupy a substantial percentage of that market. Unfortunately in recent years we have not even held our proportionate position, even though general world markets have been expanding since world war II.

I could continue to point out how other countries are attempting to deal with this problem because it is a problem that is not peculiar to Canada. Other major wheat growing countries have faced the same difficulty. Australia, for example, is deliberately curtailing the production of wheat and encouraging the farmers to move towards a diversified agricultural activity; that is a deliberate government policy. In this country government policy has not shown the same awareness of the difficulty and up to the present time, except for a few of the provincial governments, the federal administration has been encouraging maximum production of wheat and concentration on this one-product prairie farm economy. I feel that this points to the need for more substantial measures on the part of the federal government than the bill we have before us or any other legislation that has been introduced so far to deal with the situation.

I know the government reply to any suggestion of that kind is that the Canadian government is not in a position to offer any more encouragement or any more assistance to the prairie wheat producer because the wheat trade occupies such a large segment of the total Canadian economy that it would be completely impossible for the Canadian treasury to deal with this problem as have other countries throughout the world. This is true. But again, it comes back to the fact that nothing has been done by the Ottawa authorities to try to arrive at a more balanced position in our prairie economy. In fact, I would suggest that government policies, instead of alleviating the problems of agriculture as a result of a one product, unstable economy, have only aggravated the difficulty down through the years.

There is one more point I should like to mention in connection with this matter and that is that the price of grain on the domestic market has occupied an unfavourable position in relation to the cost of other consumer goods. If we were to examine the statistics for the past 18 years we would find that the prairie wheat grower has been subsidizing the consumer in Canada so far as the sale of his wheat is concerned. The price to the Canadian consumer has never corresponded, up until the last two years, to the price of wheat on the world market. For years it was pegged

at $1.25 to the Canadian miller when the price in the world market was soaring upwards to $2.83. It seems to me that the time has come when something has to be done by this government to bring the domestic price of wheat more closely into relationship with the general price level of other consumer goods.

In the past two years this problem has been brought to our attention with increasing force because the world wheat price has declined. As a result of the decline in world wheat prices, the prairie farmer finds himself in this cost-price squeeze about which we have heard so much during this session. When there is a surplus of a product, it is obvious that the price of that product is going to decline, and that is the position in which the grain producer finds himself. It is a position that has placed the whole prairie economy in serious jeopardy, because while the price of his product has been decreasing, unfortunately continued inflationary pressures, particularly in the industrial field, have resulted in the increased cost of producing his product.

From time to time hon. members from other parts of Canada complain that too much time is consumed in this house discussing the problem of wheat. I should like to suggest that until the government moves to do something more adequate than we have in this bill, hon. members are going to be forced to hear a lot more than they have heard in the past. There is a real problem in our grain growing economy and nothing that has been forthcoming from the government by way of legislative measures has even begun to deal with the difficulty. It is because of that that I can support, without any reservation, the amendment that has been moved.

Mr. J. H. Harrison (Meadow Lake): I am going to make my remarks very brief. I do not think I will require more than about five minutes of the time of the house. There has been a question raised by some members, I think one was the hon. member for Battle River-Camrose (Mr. Smith), as to why our C.C.F. friends were taking such an interest in this particular bill, which is designed to help a portion of the farmers in the west who cannot get credit on their own. I think we have to recognize their interest for what it is. As most people know, we are having a provincial election in Saskatchewan and just in case wheat is moved in large quantities between now and then, they are taking on some insurance on the theory they will have a federal issue to talk about at that time. Certainly in the past the provincial government has not been in the habit of going to the country on their record.

I hold in my hand a copy of a reliable journal, Mr. Speaker, printed in North Battleford, called the *News-Optimist*. Under its date line of February 1, I find the interest of the provincial government and the C.C.F. party expressed by the provincial minister of education. He does not profess any particular interest in agricultural matters. I just wonder whether the interest across the way is as genuine as it would appear. The heading of the article reads:

> Saskatchewan no longer dependent on agriculture: Lloyd.

In a later issue of the same paper the provincial M.L.A. for The Battlefords announces the coming election, if one can judge by the heading in this paper which reads:—

> Eiling Kramer predicts gas in 1956

I would suggest to you, Mr. Speaker, that we have had the first impact of that gas in this house in this particular debate. When this particular bill is discussed in that election I shall certainly be able to uphold what has been done here. This legislation is to take care of those farmers who, as I said, cannot borrow on their own cognizance. There are other measures to take care of other people.

In my remarks at that time I shall deal with provincial issues and discuss such things as the tripling and quadrupling of taxation in the province, and that may be more effective.

Thank you very much.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I should like to speak on behalf of a group, small in comparison with the farmers of the prairies, who are vitally affected by this bill. In the Okanagan valley we have several hundred retired prairie farmers who are still tied financially to the wheat crop that is produced on their farm. It is on their behalf that I should like to say a few words.

While this bill is seeking to overcome a temporary condition, or to provide temporary loans, I can assure the minister that the need for the loan is not a temporary one at all. It is more or less a permanent one for that type of person who is retired and dependent on income from the farm. This bill does not solve his problem. Actually, it increases it by adding interest to the debts he has already incurred. Therefore, as we discuss this bill, I want to ask hon. members to visualize not the active farmer of the prairies but those who were active at one time and have now retired, but whose interest is vitally affected by the sale or the non-sale of the wheat from the prairies.

I could name a hundred or more of them who have retired, some on a pension, some on

half shares, some on quarter shares, some on a rental basis, but all dependent on a steady income from the prairies. Some have been retired for so long that the little income that comes in now is totally inadequate to meet the increased cost of living, and they are finding this problem to be more intense in many instances than the actual farmer who is getting the loans. These people have so mapped out their lives for the remaining years as to fit into the picture of a steady income. That income has been diminishing and the cost of living has been going up. I feel I should make a plea to the minister on their behalf to assist them by a straight money advance on the crop they own, or part own especially in view of the fact that the security they offer is greater than many municipalities offer when they get money at 3 per cent and 3½ per cent interest. The sons of some of those people took over the farms, and they are dependent on the sale of their wheat to keep the old people in British Columbia going as well as their own families at home. Therefore, the position of those couples is made extremely difficult.

Then, we have several widows whose farmer husbands died. The widows were forced to sell their farms, or dispose of them on terms that at times were not very favourable. Some have a division of the crop. They were not in the happy position to demand a better deal. Many of these widows are also in dire circumstances owing to the low purchasing value of the money they get. Any money that they ask for under this plan should be lent to them at at least 2 per cent. If it cannot be given to them as a direct advance on the wheat, then 2 per cent should be the maximum asked of those widows and those retired farmers who must have the money to continue in the business of selling wheat. I contend that to ask them to pay 5 per cent is extortion of the worst kind. Personally, I think they should have a cash advance. If the government cannot see a businesslike way of giving the cash advances on wheat, then we must deal with what they propose to do. For that reason I suggest to the minister that he reconsider the interest rate on those loans and bring it down closer to 2 per cent. I am satisfied that 2 per cent is ample to take care of the bookkeeping and any other work that is necessary on loans advanced by the bank, or by the government, to any group, especially to citizens in this position who are putting up collateral worth far more than the money they are borrowing.

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, the principal feature involved in this discussion to ratify legislation guaranteeing bank loans made to grain producers in the prairie provinces who face financial difficulties as a consequence of the government's inability to market prairie wheat appears to be twofold. The first is the inadequacy of this measure to answer the farmer's problems. The second is the various submissions that have been made from the opposition side of the house. We believe that in making those submissions we have consistently represented the opinions of the farmers of western Canada. I think the answer is to be found in cash on the line rather than in loans at the bank as a means of alleviating the problem which faces farmers at this time.

I rise to take part briefly in this debate because one does not necessarily have to be a farmer to understand the predicament in which farmers find themselves, and also because I believe the problem has been handled rather lightly by the government. It so happens that I represent an urban riding, but we in that riding know that our well-being depends upon the prosperity of the farmer. Furthermore, in my riding there are many retired farmers who still possess their investments in the farms, and their children are managing those farms. As a consequence I believe that they would want me to rise in my place at this time and express their feelings on this matter. I fully agree that this legislation in no way answers the need of farmers for a stable and adequate income. Clearly the answer is to have a policy and a platform which will ensure a stable and adequate income for the farmers. The government has no such policy. Such being the case, this legislation, which makes lending facilities more readily available to the farmer, does help to improve his condition, but it must be considered as only a supplementary and additional measure. But let me make it perfectly clear that the farmers of western Canada are not satisfied merely with having the opportunity of borrowing money at banks. The farmers of western Canada are afraid of debt. They know from past experience, during the depression years, that there is only one thing worse than having a debt and that is having no markets, no money, and having a debt on top of that.

What is it that the farmer really wants? It seems to me that the farmer wants a solution to perhaps the most paradoxical problem of this age; namely the removal of his poverty in the midst of the plenty that he has made. I think the position of the farmer is very clear. He wants a policy and a platform that would first give encouragement and inducement for him to continue

producing without being penalized for it, and secondly he wants a fair return for such an effort.

There are over 250,000 farm units in western Canada who have no way of expressing their feelings with respect to this legislation unless we in the opposition set them forth and indicate to the house the feeling of injustice that must overtake them when they see that we are asked to consider these bank loans in place of the legislation they asked for.

There is another point to which I should like to draw the attention of the minister and that is the high interest charges that are being made. With the government guaranteeing to chartered banks the loans they make to farmers, it seems to me that the element of risk or loss is completely removed from such bank loans. My point is that the farmers should not have to suffer the consequences of a situation for which they are not responsible; loss of markets, increased cost of production resulting from a jungle of taxation and the inability of the government to provide policies making saleable the farm production of wheat. It surely is not unreasonable to expect that banks, which are protected against loss, should also make a small concession and accept slightly less profit thereby helping to shoulder the burden which faces an important segment of our population. I hope the government will consider the advisability of so advising the banks.

I think we should get one thing straight and that is that the farmers of western Canada are not asking for charity or handouts. What they are asking for are measures that will make it possible for them to exchange their production for purchasing power. I think that is the only answer they are willing to accept. I think it is a reasonable request both in theory and in practice. In the United States of America the commodity credit corporation which was set up there does make prepayments and cash advances on wheat that is properly stored on farms. Furthermore, I believe that the entire debate thus far raises a theme that has not been mentioned, namely what should be done about the tremendous stockpiles of our surplus wheat?

Clearly the answer is not in cutting down production but in making consumption here and abroad more available. What is this government for if not to devise policies that will make this possible? As long as there are hungry people in the world, and indeed as long as there are people in this country who do not have enough to eat, we in this group will certainly oppose any measure or suggestion that we plant trees or grass on those pieces of land which should quite rightly be producing crops.

The government is insisting that it receive gold or dollars for its surpluses in the matter of export. That is perfectly all right; let them proceed with an aggressive policy to acquire such payments for exports, but since they cannot receive gold or dollars for our surplus wheat, what is all this nonsense about our not accepting foreign currencies and not engaging in barter? Quite frankly I am glad that the farmers are demanding cash payments for their wheat.

They are asking in effect for income in return for having created real wealth, wheat. They are asking for purchasing power to equate their production power. I only hope that in asking for this they clearly understand that what they are asking for is the implementation of the monetary policies of social credit. I believe sincerely, that governments will have to implement these social credit policies sooner or later; there is no other way. My hope is that in making such demands the farmers understand that in reality they are asking for the implementation of fiscal policies and usage of the national credit of our country in order for them to obtain cash and not bank credit as is presently being advanced by this legislation.

Mr. H. P. Mang (Qu'Appelle): I just wish to make a brief statement at this time because as I have listened to the discussion both on the resolution and on this bill I cannot help but feel there is a great deal of confusion being created on the part of many members by forgetting that this is purely a temporary measure to deal with a certain specific situation. This does not entail, and there should not be, a general discussion of a long term policy for agriculture. This is a measure to deal specifically with an undertaking that has been made by this government whereby some cash can be put into the hands of farmers at a specific time and during a specific period. I do not see how anyone could hold up the passage of this temporary measure with any justification whatsoever. Indeed, all of this discussion has merely postponed the next measure to come before us which will probably be Bill No. 83 which does attempt to and will provide a part of a long term policy.

I do not see the point of a great deal of the discussion which has wandered all over the field of international marketing and international finance and has dealt with all the difficulties with which farmers have been beset ever since the profession of farming existed and which will beset farmers for some

time yet to come. This merely deals with a temporary and specific situation.

I entirely agree with what the hon. member for Rosthern (Mr. Tucker) brought forward this afternoon with respect to the responsibility of the government in dealing with the situation following representations from responsible farm organizations as representatives of the Saskatoon conference. I am aware of what took place at that conference because I was there as an observer and I listened to all the discussion. If we merely try to shove this particular bill before the agricultural committee its passing will be postponed for some months.

If the undertaking is made, surely to goodness we are businessmen enough in this house —if not we should be—to look at Bill No. 82 for what it actually is. It is not a bill to deal with long-term agricultural policies. All of the discussion that is going on is simply holding up our proceedings, and that in the long run will hold up the final payment which will be made subsequent to the passing of Bill No. 83. Do not let anyone say that Bill No. 82 is deliberately placed where it is before Bill No. 83 which deals with storage and interest charged. That was the businesslike way of doing it, that was the natural order of precedence. Let no one be unbusinesslike enough to get up and say that that is not so.

I am getting just a little bit tired of all this finagling around all over the field of general farm policies when this has nothing to do with the question of a general farm policy. I am going to vote for this bill because it deals with a specific problem and makes a specific undertaking.

An hon. Member: You have to.

Mr. Mang: I do not have to if I do not want to.

An hon. Member: I challenge you.

Mr. Mang: We will meet you boys on the election rostrum next spring and some of the statements that have been made in this house are going to look pretty silly when we have a proper discussion and when you start to separate facts from fantasy, facts from fiction. I have no hesitation whatever in supporting this bill and I have no hesitation whatever in discussing this bill and its passing with the people in my constituency. We have a lot of wheat out there. At Grenfell alone we have one million bushels. At Indian Head, the cradle of large wheat shipments in western Canada, we have one million bushels.

I know what the problems are because I have visited practically every elevator in the constituency. I have visited the municipalities and I have talked with businessmen. I know the situation and I know they will agree that this bill should be passed as of now without going into a great many generalities which simply postpone the date when the final payment will be made.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I am very happy to support the amendment moved by the hon. member for Kindersley (Mr. Johnson) that this bill be referred to the standing committee on agriculture and colonization. I think that there are two very important aspects to the arguments and debate as they have developed in the house. I want to deal first with the fact that I am very happy with the turn of events in the chamber and that some of the private Liberal members from Saskatchewan are being smoked out. I am glad that this afternoon we have heard from the hon. member for Rosthern (Mr. Tucker) who has great difficulty in explaining his position to the house and is using phraseology so that hon. members can understand what he is saying. I am sure that those of us who come from the prairie provinces are happy to see that these private members from Saskatchewan on the Liberal benches are being smoked out.

We have listened to a few remarks from them. I think it took the hon. member for Meadow Lake (Mr. Harrison) less than three minutes to say what he had to say on this very repugnant bill which incidentally the farmers in the west do not want. It took the hon. member for Qu'Appelle (Mr. Mang) an equally short period of time. We have not yet heard from the hon. member for Swift Current-Maple Creek (Mr. Studer) but I presume he will have his two-minute contribution to make.

Mr. Studer: It will be worth a lot more—

Mr. McCullough (Moose Mountain): I do not want it to come as an interjection. If the hon. member has anything constructive to say, let him get up on his two feet and say it.

Mr. Studer: You have not said anything yet.

Mr. McCullough (Moose Mountain): I believe that there is growing up in this country a doctrine which should be called the C. D. Howe doctrine. This doctrine entails subservience to ministerial undertakings. On the introduction of this bill we had the right hon. Minister of Trade and Commerce (Mr. Howe) stating to the public and to the banks that this government would undertake to spend public moneys through the undertaking of a minister, instead of waiting to call parliament together or to have the undertaking for the payment of public money made through the

proper channels. Instead of doing that the Minister of Trade and Commerce takes it upon himself to make this announcement at a public meeting.

After a very short period of debate in this house the right hon. minister had the audacity to get up and say that he was tired of the debate, that his patience was running out. He made the veiled threat—it was not so very veiled either—to the house that he was prepared to withdraw the legislation if hon. members continued to oppose it.

That was nothing short of a disregard for parliamentary procedure, for the integrity of this house. We should have in Canada supremacy of parliament, and veiled threats or intimidations should not be contained in any statement made by a minister in the house. In addition to that, the other day the right hon. minister stated that in illustrating the position of the western farmer I was more or less saying that the farmer was a man with a tin cup looking for a handout. That could not be further from the truth because the farmer in western Canada, and indeed in any part of the country, is not asking for a handout. The farmer is simply asking for justice, for some sort of equality of treatment.

The western farmers simply want to share in the prosperity that they see existing in this country. I feel that the time has come when we should not hear any more threats from the ministerial benches in this House of Commons. We should treat the subject before us in a parliamentary manner.

At the time the minister was taking such strong exception to the debate in this house he said quite incorrectly that the same speeches had been made more than twice by members from the prairies and then said that he saw a member getting up to speak for the third time. Nothing could be further from the truth because at that time the members of this group and indeed the members in all sections of the house had not spoken more than once on the subject. Whether the minister is happy about this legislation or not, the fact is that some of us are strongly opposed to it. We have given notice that we are going to oppose it in every way we can. It is now suggested that the bill be sent to the standing committee on agriculture and colonization where it can be examined and where perhaps some measure of progress can be made toward making it more acceptable to the western farmer. The hon. member for Assiniboia (Mr. Argue) suggests that it be thrown into the wastepaper basket.

In order to deal with this subject properly I think we must examine the reason for the government wishing to bring in a measure of assistance, if this can be called assistance. I think in order to do that we have to examine the condition of the farmers concerned. We have had on many occasions during the past few months explanations in the press for the condition of the western farmer.

I feel that the western farmer now is in one of the worst financial positions he has ever found himself in. The question is one of income. The farmer in western Canada, on the average, has a great deal of grain on hand and, indeed, he has been progressive in his methods of farming and has produced a great deal of livestock and other farm commodities. But the fact remains that the farmer's income in western Canada has fallen very drastically in the last three years, so seriously that he is now in a cost-price squeeze, so that he must have some assistance if he is going to be able to carry on.

I wish to point out at this moment that there has never been so much confusion, in respect to government policies pertinent to agriculture, as we see at this time. I was most amazed, just prior to coming back to parliament, that the press reported that, in addition to terminal storage at the coast ports and at the main terminal storage points, there were facilities for storing 58 million bushels of wheat and, in addition, in the other country elevators there was an additional storage space of over 44 million bushels. In other words, we were told there was storage available for over 100 million bushels of wheat. Yet up to that point the minister had been going to Washington and proclaiming to the press that it was the United States give-away policy in respect to wheat that was undermining the Canadian wheat sales.

On top of that, to show government mismanagement, while this storage space was available there were over 11,000 box cars absent from the prairies in the United States over and above the number of box cars from the United States in Canada. When it is considered that the western farmer must have the possibility of delivering his grain in many cases when the roads are open, it will be seen that the situation developing is one whereby the farmer in the middle of winter is unable to deliver his grain, regardless of whether or not there is an opening at the elevator. Here we have a lack of planning by the federal government. When we ask for some planning, they say, "You people think only of planning." This is one time when we could have had a little planning and where the transport commissioner must be sharply criticized for his inaction in not seeing to it that there were sufficient box cars to meet the situation prevailing at that time.

Now I should like to deal rather briefly with some of the aspects of farm income because I think it has a bearing on what we are trying to do at the present time. We in the C.C.F. group feel that this measure does not meet the needs of the western farmers. It is not only a short-term credit policy that we need, but I want to maintain that, if we had proper policies in this country to maintain the income of farmers, we would not now have to be dealing with a short-term credit proposal for western farmers such as proposed. While it is recognized that the general income of people throughout Canada has increased, it is still true that agriculture, even on a national basis, has deteriorated in the past three years.

Mr. Howe (Port Arthur): May I ask the hon. member a question?

Mr. McCullough (Moose Mountain): Yes.

Mr. Howe (Port Arthur): Have these figures changed since he put them on in the throne speech debate and since he put them on in the debate on the resolution? Is he putting on something different now?

Mr. McCullough (Moose Mountain): Yes, and I want to say that sometimes it is well to put them on more than once to convince this government. I want to say too that I think I shall not have to correct my figures as the Minister of Agriculture did the other day. It is getting to be the case in this house that we cannot be sure of the figures we are being given by some of the ministers.

I wish to say too, in answer to the minister, that the other day he indicated he would put before this chamber the type of policy carried out under the commercial credit corporation in the United States, and I recall his stating at that time that the commercial credit corporation in the United States does not pay for farm-stored grain in unapproved storage. The fact is that under some policies it does pay for unapproved storage of farm-stored grain. The agent examines the wheat, grades it and determines its approximate quality. The farmer is given three to six months in order to put it in approved storage, and, before it goes into approved storage, the farmer gets 70 per cent to 90 per cent of the parity structure. When it goes into proper storage, he can get the remainder of 90 per cent of parity.

Mr. Deputy Speaker: Order. I have listened to what the hon. member was saying and if I understood him correctly, he indicated he was going to put figures on the record for a second time. I think he used the word "again". An hon. member who makes an admission of this kind is probably admitting that he is guilty of repetition and, of course, I could not, in accordance with our rules, allow repetition in a debate.

While I am on my feet, I might also point out that we are dealing with second reading of this bill providing for short-term credit to grain producers. I realize that that opens a great many collateral matters to debate, but I do feel that we should confine our remarks so far as possible to the principle of this bill and that a very general debate on farm problems or on agriculture is not strictly in order. I am not saying that the hon. member has offended but I take this opportunity to point out that this bill is limited in scope and the debate should be similarly limited.

Mr. McCullough (Moose Mountain): Mr. Speaker, I did not wish to imply that I was repeating figures I had put on previously. Such is not the case. As a matter of fact, these figures I have just gleaned from certain dominion bureau of statistics figures and from other sources. While they may compare favourably with the figures I put on in previous debates, they are not taken from the same source, or at least they are not the same figures.

I should just like to point out that the reason I mentioned the commercial credit corporation in the United States was that their policy is to give cash advances to farmers for farm-stored grain, as against the present policy we are now discussing, which is, of course, to charge the farmer five per cent on his farm-stored grain.

Mr. Studer: We heard you the first time.

Mr. McCullough (Moose Mountain): It would have been very easy for this government to undertake an alternative plan. There seems to be general agreement among farmers and among many authorities that this could have been done without any fuss or confusion whatsoever, that 50 or 75 per cent advances could have been made on farm-stored grain, and it would not have been necessary to charge any interest. This government seems to be very much against giving equality to the farmers. Certainly there is no recognition in this bill that the farmer should be treated in any fair way. Actually, what this means is that the farmer is penalized simply because he must have a postponement of his income. If the farmer is not able to deliver his grain, as he is not able to do under the present marketing situation, it simply means that the government is forcing him to pay interest on his income. That would be bad enough in any case but it is also true that the short-term farm credit proposal is not meeting the situation as I see it in Canada today. When we in the

C.C.F. talk about parity we do so because we believe that is the only way the farmer can have equality and justice. I have here the issue of *The Country Guide* for February, 1956, which contains an article entitled, "One Hundred Per Cent of Parity". I should like to read some brief statements from that artcle. It says—

Mr. Howe (Port Arthur): Who is that?

Mr. McCullough (Moose Mountain): It is an editorial. I am not trying to argue against the person who wrote it or anything like that. What I am trying to point out is that here is an article with arguments comparable to most of the arguments put forward against parity prices for farmers and it reveals the inconsistency of those arguments. The editorial reads in part as follows:

> Surpluses would be inevitable even with firm controls, because of the rate of increase in production per man that is now possible.

In other words, it is assumed that if we have just and fair prices for the producer that in itself would cause unmanageable surpluses. In this country we do not have anything like parity. As a matter of fact, I could put evidence on the record to indicate that the farmer is producing below the cost of production. Then the editorial goes on to say—

Mr. Howe (Port Arthur): There is nothing in this bill that has to do with parity prices.

Mr. McCullough (Moose Mountain): Of course, that is the argument I am trying to make. I say that even though the bill provides for short-term credit to the producers of the country it does not in effect meet the situation that has developed. I am trying to argue that this situation is going to continue. I point out that in 1954 western farmers sold as much wheat and pretty well as much livestock as they did in 1953, but the fact remains that in spite of that fact the average long-term sale of wheat remains constant the farmer is in an impossible financial position. The government is now proposing bank loans on his farm-stored grain. I am trying to point out that there is no policy by which the farmer can get out of this squeeze or whereby we can have better conditions for the producer unless the government is prepared to at least listen to the argument I am trying to put forward in endeavouring to show the inconsistency of the argument against parity prices for agriculture. The editorial goes on to say:

> We also favour the principle of equality between agriculture and other sections of the economy.

I suggest—

Mr. Speaker: Order. It seems to me that in order to make the discussion relevant the hon. member should make his remarks directly on the principle of the bill. If we were to follow his contention that in order to deal with the bill he must review the entire economic situation as far as the farmer is concerned the result would be that one could carry that a little further and say one should discuss the entire economic situation of the country in relation to the farmer. We might even find ourselves looking into the international situation to find out what is the position of our country with reference to world affairs and the position of our farmers in the general world economy. Then we might finally come to the bill. I think the hon. member will agree that if we were to follow that sort of practice we would be far afield in almost every discussion we have.

[Mr. McCullough (Moose Mountain).]

Mr. McCullough (Moose Mountain): I am trying and shall try to confine myself to the principle of the bill and related subjects. In my opinion it is tremendously difficult to place the position of the farmers before the house without discussing their economic situation. This is a bill to give some assistance by way of bank loans at 5 per cent interest, and unless we discuss the financial position of the farmer it seems to me it would be very difficult to put his viewpoint and, indeed, the viewpoint of any member in relation to the problem confronting us, before the house.

It is well known that the farmers through their organizations are unanimously against bank loans. They are opposed to the interest aspect of the loans. They feel it is only going to add to their already difficult financial position and I believe it is important to have before us the situation that has existed since 1945 when the farmers' position began to deteriorate. At that time the economy was generally buoyant. It was also buoyant at the time of the Korean war and is now in the face of the continuous threat of war. Therefore I think it is very difficult to discuss this matter intelligently without referring to the financial picture of the farmers of western Canada.

I intend to close by saying I am very happy that it now appears there are at least some members formerly rather indifferent to this measure ready to join with us in expressing complete antagonism to it. When the amendment we have moved is voted upon I hope there will be a solid vote in favour of it from the opposition ranks even if we do not receive the support of some of the Liberal backbenchers.

Some hon. Members: Question.

Mr. Howe (Port Arthur): Mr. Speaker—

Mr. McCullough (Moose Mountain): Six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Gordon Churchill (Winnipeg South Centre): I rise to take part in this debate, Mr. Speaker, because the subject matter is of interest to everybody in Canada, and of intense interest to all of us who live in western Canada. We have got into a debate which has extended for a longer period of time than was in the mind of the Minister of Trade and Commerce (Mr. Howe). This has come to be quite a usual circumstance. I notice that earlier in the course of this debate he suggested to us that there should not be a prolonged debate on this legislation. At page 605 of *Hansard* for January 27, 1956, he intimates that the provisions of the bill have been in effect since November 15.

Then, in some other place, I am not sure of the exact reference, he said the government had undertaken to pass a very simple resolution. That reminded me of a statement he made about a year ago when he used these famous words, "This is a simple bill, containing only two sections." Well, here we are again on a simple resolution; no prolonged debate desired because everything had been settled before we appeared here. The minister seems to think we are prepared to accept that method of doing the nation's business. I think not. I should like to point out to the minister that we might be in a better position on this bill had he made use of the resolution stage as it was intended to be used. The purpose of the resolution stage is to explain the nature of the legislation, to have debate and discussion as to the need for the legislation and hear suggestions from the minister concerning the contents of the bill with full disclosure of the details, giving an opportunity to revise the bill or withdraw it completely.

During the resolution stage of this bill a full debate was carried out. The minister was advised it was an unsatisfactory piece of legislation. He should have either made revisions in the bill before presenting it to us or withdraw it entirely. I should like to direct the attention of the house to what was done by Disraeli in 1867 when he was trying to introduce a contentious measure on reform in England. He did it by way of resolution. The resolution was debated vigorously and there was a great deal of opposition. As W. I. Jennings points out in his book on parliament, page 243, speaking of Disraeli he says:

> He withdrew the resolutions and gracefully covered his retreat by acknowledging a disposition on the part of the house to afford the ministerial proposals fair and candid consideration, to secure which was the main object of proceeding by resolution.

Well, that is exactly what we have done here.

Mr. Howe (Port Arthur): Did you vote for the resolution?

Mr. Churchill: I think perhaps I did, in the expectation—

Mr. Dickey: Perhaps you did?

Mr. Churchill: All right, I did, in the expectation—

Mr. Howe (Port Arthur): Go ahead, Disraeli.

Mr. Churchill: —in the expectation the minister would make some revisions in the bill in accordance with the advice tendered in the house. But the minister does not accept advice very readily.

Mr. Harris: How do you know whether or not he revised it?

Mr. Howe (Port Arthur): He does not know whether he is for it or against it or whether it is the same bill.

Mr. Churchill: There has been no change in the provisions of the bill.

Mr. Knowles: The minister should watch out that this does not degenerate into a debate.

Mr. Churchill: The minister told us the provisions of the bill have been in effect since November 15, and no change was made between the resolution stage and the introduction of the bill unless it was a minor change that has not been drawn to our attention. The minister shows the same disregard for parliament as in the past. He settled this matter on a television-radio program back in November.

Mr. Howe (Port Arthur): It has been said a good many times that I announced this financing by radio and television. The statement I made was made to the delegates of the Saskatchewan wheat pool. If they chose to have photographers there or radio there, that was their business, but I addressed a delegates meeting of the Saskatchewan wheat pool.

Mr. Churchill: It is too bad it was not televised and then perhaps the Manitoba farmers might have taken action with their shotguns.

Mr. Dickey: You are pretty proud of those Manitoba shotguns.

Mr. Churchill: I did not catch that last interruption, but at any rate the minister has

come here again asking parliament to be a rubber stamp for something he has done beforehand. There is a great deal of objection here, and I hope elsewhere, to treating parliament in that fashion.

Earlier today the hon. member for Rosthern (Mr. Tucker) dealt with the meaning of the term "cash advances", and he attempted to show—he did it very badly—some change had been made in our position and that we were now talking about cash payments instead of cash advances. We had a great play on words with regard to what you mean by an advance. I gather that one of the leading papers in western Canada got mixed up in this too, by inadvertence. I was sorry to hear the Minister of Justice (Mr. Garson) apparently had also become confused with regard to the word "advances". He is usually quite well informed on the meaning of words.

In order to show that there has been no change in our position from quite early, let me draw to your attention the fact that on October 26, before this house assembled and when the crisis in the wheat situation was evident, the Leader of the Opposition spoke on the matter and is reported in the Ottawa *Citizen* of that date as follows:

> He urged an immediate cash purchase plan by the wheat board of farm-stored western grain on a quota basis, making an initial payment thereon as if the wheat had been delivered to the elevators.

Later in this house the Leader of the Opposition used practically those very words and made it quite clear to everybody who was really interested in the matter that a payment was what was intended by the use of the word "advance", and it was clear to everyone except those who apparently did not wish to understand. He used such words as these, as reported at page 41 of *Hansard*:

> Provision should be made for immediate cash advances in the ordinary way on the quota book by the wheat board for farm-stored grain on a quota basis, making an initial payment thereon as if the wheat had been delivered to the elevator.

And then, to make it doubly clear, he drew the attention of the house to that once again on Friday, January 27. There has been no change in the position of this party with regard to cash advances being intended to be a payment on grain, and being intended to be paid for by the delivery of that grain when it could be called forward. At the same time the Leader of the Opposition very properly urged in October, or thereabouts, that a special session be called. He urged earlier that a special session should be called to deal with the problem.

The foreword to the bill that has been placed before us reads:

> An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

I looked at this with some amazement, particularly the last phrase: "inability to deliver all their grain". The grain producers are apparently unable to deliver all their grain. They are ready, willing and able to do it. The fault lies elsewhere. The latter phrase of the bill should read: "arising from the failure of the policy of the government in respect of promoting the sale of wheat and in its failure to provide elevator space and box cars for delivery." It is not the fault of the grain producers; it is not their inablity to deliver their produce to the elevator.

The factors that have made this bill unsatisfactory are perfectly clear. They deserve full consideration. In order to indicate the unsatisfactory nature of this particular legislation hon. members who have spoken have dealt with all aspects of agriculture in relation to the wheat-growing problem and the marketing of wheat, and there is some sense to that type of approach, because unless you see this particular problem in relation to the whole it might not be easy to understand the opposition to this measure. This is an emergency measure. It apparently is filling a need only for a small number of grain producers. It is clear from what is expected or asked for by those who are spending their lives in the production of grain on the western plains. The situation has been drawn to our attention, but there is no harm in having a look at it again.

The situation of western agriculture in relation to agriculture as a whole is much worse from the standpoint of over-all loss of farm income in that part of the country than anywhere else in Canada, and we recognize that agriculture throughout Canada is in a difficult situation. The figures in the returns to the farm people of Manitoba, Saskatchewan and Alberta amount to a decrease of $404 million for 1954, and the situation is certainly not improving. When you are dealing with figures of that magnitude, surely it is an emergency that deserves consideration from Canada as a whole. That is a serious loss of income to western Canada, and indirectly to other parts of Canada.

The population of western Canada is rapidly approaching the 3 million mark. We are closely linked with all the provinces through agriculture. It was agriculture that brought about the development of the west and although in recent years we are having

the good fortune to discover oil and to develop mining industries and to develop and use our forest products, nevertheless agriculture has been and still is basic to the welfare of western Canada, and affects a very large proportion of Canada's population. Then we all know that the income resulting from the sale of our wheat has certainly been very beneficial to those engaged in industry in other parts of Canada. Of course it has affected the whole transportation system of our country, which in western Canada was certainly developed on the basis of the export of wheat, and it has certainly affected the Atlantic and Pacific ports that handle our grain, and generally it has been of great importance to the whole economy of Canada.

Now, when you consider the decrease in the income of western Canada, because of the inability of the government to market our wheat and to pay farmers for what they have produced, you can see that the effect is widespread, and that Bill No. 82 does not deal with the problem except in a very minor way. It will not put into the hands of the farmers of western Canada the cash they need at the present time to pay their general expenses and to make preparations and provisions for the new crop year of 1956, which is fairly close at hand.

We have been informed that the loans are still limited in principal and in quantity, and that means of course that the shortage of cash still exists. It is incumbent upon all of us to speak out on this measure not simply because we may come from western Canada but because of our interest in the development of agriculture as a whole in this country. If western agriculture suffers very severely, as it is suffering at the present time, the effect is bound to be felt elsewhere. It may be a delayed effect, but it is a type of creeping paralysis which will gradually affect other parts of the country.

The proposal has been made that this bill, instead of being proceeded with forthwith, be referred to the agriculture committee for study. There is sense to that suggestion, because here in the house the minister has brushed aside some of the suggestions that have been made; whereas in committee they might be more carefully considered, and the whole implication of this bill and its effect on western agriculture given the closest attention.

The committee might well relate the wheat problem to our export markets and look ahead a bit in regard to our future policy in respect of wheat. It was just by chance that the short crop of 1954 staved off this problem for a year. That short crop aided the government in avoiding the issue with regard to the problem of disposing of our wheat. Well, it caught up to them in 1955 because the crop was good and now with the carry-over that faces us for 1956 the problem is going to be with us throughout the fall of 1956 and 1957. This bill may be extended, of course, to cover 1957 but as it is ineffective right now it will be ineffective in 1957 as well.

Throughout this debate and despite meetings of farm organizations and representations by letter and by telegram to the members of the government, absolutely no regard seems to have been paid to the opinion of the western farmer. Perhaps I should not put it that broadly but certainly not sufficient regard has been paid to that opinion. It has been brushed aside. That strikes me as peculiar because there are no sounder people than those engaged in agriculture in the western provinces. As all farmers are, they are sensible people who look at their problems pretty calmly and deliberately and they discuss and debate before they put forward their proposals. I have had an association with western farmers for over 50 years and I rank them as among the most sensible portion of our population.

Mr. MacDougall: You are older than you look!

Mr. Churchill: They are constantly engaged in a study of the problems that affect them and they do it in a most sensible fashion. They hold meetings in the rural school house or the local community hall. They have farm organizations, farm papers and they listen to the program "Farm Forum" which has been running very effectively for several years. They meet and discuss matters and pass resolutions and then get in touch with members of parliament or with the government.

Year after year we meet farm delegations in Ottawa who present their cases very sensibly. They are not radicals trying to change everything overnight; they reason calmly and coolly and present logical arguments. And yet, in the face of their suggestions over the last several months, the minister has refused to consider the problem as the farmer of western Canada sees it. He would lead us to believe that the farmers are wrong and that we on this side of the house are wrong and that he alone is right. I think that is not the case.

I think the proposal for cash advances on farm-stored grain, or if you prefer, cash payment on farm-stored grain, has been a very sensible approach to this problem. The farmer without cash is being carried along by his friend the village or town storekeeper. It is an intolerable situation, really, for a man who has produced a very valuable product,

Canada's wheat, which has for so many years been ranked as the most important wheat in the world. The man who produces wealth of that nature and adds to the gross national product is now told to wait for the government to dispose of his grain, to go and borrow money from a bank and pay 5 per cent interest on it and just hope for the best. I do not wonder at all that the farmers have been indignant about this method of dealing with their problem because it has struck close to home. They are the ones who know exactly what they need in order to manage from month to month and in order to pay their harvesting costs during the fall and to pay the normal costs of the winter and to get ready for spring. They naturally need cash and they have the security in this first-class wheat, which in this last crop year was of a higher quality than in some other years. On that basis surely the farmer has been right in asking for a method different from the one put forward by the minister.

Earlier in this debate I was disappointed to hear the minister suggest that perhaps the security was not good enough and that the farmers might dispose of their grain in some other way and would not be able to meet their obligations. That is not the western farmer as I have known him. The western farmer is prepared to meet his obligations on all occasions. The percentage of farmers who would not meet their responsibilities would not be any greater than in any other group; it would perhaps be one-half of one per cent. No, the farmer can be trusted and in this instance he should have been trusted and his advice should have been taken.

Why has there been this neglect of western Canada? What has happened to the government of this country that it can brush aside the expression of opinion from that great section of our country, the three prairie provinces with their large, active and thriving population, that section of Canada that has produced a great deal of wealth for this nation?

The representation of western Canada in the House of Commons, as we know, is divided. It shows the interest and activity and political alertness of western Canadians. It reveals that they do not simply follow along behind the government of the day. They are familiar with protesting when things are not going right. They have protested in the past, and very effectively, but at this time with all that experience behind us surely we can see that the voice of the western farmer, expressed through his normal farm organizations, should be heard and listened to attentively by this government and the proposals of the western farmer for cash advances, or for cash payments, which is the same thing, on farm-stored grain should have been accepted by this government long ere this. This bill should have been withdrawn between resolution stage and its presentation to this house, and it could now be withdrawn by the minister and altered to meet the circumstances of this particular period.

I think the government is neglecting western Canada and that this minister who caused us so much trouble last year is adopting the same attitude again this year. He wants to force this through parliament no matter how many sound organizations may be against putting it forward at this time. And that is the type of treatment of parliament against which we protest.

I urge the minister now—it is not too late—to withdraw the bill and bring in something really worth while.

Some hon. Members: Hear, hear.

Mr. Churchill: The minister could withdraw this bill and amend it in such a way that it would contain both methods if necessary. It is not beyond the capabilities of his staff to work out something which would accomplish both things. If there are some people who want a loan on farm-stored grain at 5 per cent and who can see no other way of managing that could be provided for if necessary, and if there are others who think it is far better to have a cash payment made on farm-stored grain with good security such as they have to offer, why not provide for that, too. Why give us this, which is not even half a loaf.

Mr. Harkness: It is an abortion.

Mr. Churchill: It is about one-sixth of a loaf made out of the lowest grade of wheat that could possibly be produced. I urge the minister for once in his life before he leaves us, —I shall regret to see him go—to accept advice from the House of Commons.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I intend to speak very briefly, as I am not going to join in the filibuster on this bill. However, I should like to say a few words on the amendment now before us. The hon. member for Winnipeg South Centre (Mr. Churchill) has given us some splendid advice on parliamentary procedure. He says to withdraw the bill and then introduce a new bill at the same session dealing with the same subject. Unfortunately the rules do not permit that. We cannot introduce a bill dealing with the same subject as one which has already been introduced at the same session. Surely my hon. friend knows that.

An hon. Member: What about unanimous consent?

Mr. Howe (Port Arthur): He also knows that there can be no unanimous consent. He knows also that this amendment which has been introduced would kill the bill. The amendment is that the bill be not read a second time. At that stage it would go off the order paper and you could do anything you liked with it. You could refer it to a committee or anything else, but you could not introduce it again at this session.

This has been discussed in the house many times and rulings have been given. I thought everyone was quite aware of the fact that the procedure I have indicated is the correct parliamentary practice. I am not surprised that hon. members of the Conservative opposition last week voted favourably on the resolution while this week they are prepared to vote to kill the bill. That is not the quickest turn-around I have ever seen. I remember when the hon. member for Greenwood (Mr. Macdonnell) voted "aye" on the second reading of a bill and "nay" on the third reading of the same bill in the same evening. I am sure he remembers that.

We all know that the Conservative party has no policy. They join in any hullabaloo that comes along. Last week they voted against the C.C.F. while this week they have joined them. Next week it may be the Social Credit group that will be the victims, but I hope not for their sakes.

There is another feature to this amendment. The amendment provides that this bill be not read a second time. This is a government measure and if the bill is not read a second time the government is defeated. I can assure hon. members that should that happen the house would be dissolved immediately and we would have an election.

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): If you want an election now, you know how to vote on this measure.

Mr. Rowe: You would never come back under those circumstances.

Mr. Howe (Port Arthur): I like to hear these people opposite talk about the prairies. They know where the prairies are on the map but they do not know much about them otherwise.

Mr. Fleming: This is another "toe the line" speech you are making.

Mr. Howe (Port Arthur): Anyway that would be the result.

An hon. Member: Whom do you think you are threatening?

Mr. Howe (Port Arthur): This is not only a motion to kill the bill, it is a motion of want of confidence in the government; but we do not worry too much about that. That is the kind of debate we are carrying on this evening. If you want to vote against the bill, why, vote against the bill. I do not know why you have to again listen to the speeches we have just heard. We have already heard the same men making the same speeches. Perhaps they prepared their speeches before they came down and they were the only speeches they had. I do not mind listening to them but unfortunately I have other things to do. I really begrudge the time. Her Majesty pays me for doing something useful and I do not think I am earning my pay when I have to sit here in the house and listen to the kind of blather we have been having on this particular bill.

The history of the bill is simply this. There was a great meeting at Saskatoon and from that meeting came a document. That document was brought to Ottawa by a large delegation, including the leaders of all the farm organizations on the prairies. They presented the document to the cabinet, and impressed upon us the need of speed. They said that the small farmer needed cash immediately.

The document suggested three ways of getting cash to him. One was through the banks, another was to set up a special organization for the purpose of handling direct government grants, and the third was advances through the wheat board. The document even mentioned the rate of interest that should be charged. It urged that there be no interest, but said that if there was to be interest it be not more than 3½ per cent. That was the document given to us.

The main problem was speed; the money must be put into the hands of the farmers without delay. We examined the situation as a government and we found that the quickest way to get it out was to use the lending organizations already in existence. We made a special arrangement with the banks and on the undertaking by the Minister of Finance (Mr. Harris) that this legislation would be introduced at the opening of this session, the banks proceeded to make loans.

That is the history of this legislation. We did exactly what we were asked to do. The men who made the request were the leaders of the farm organizations. Whether it solves all the problems of the farmers I do not know, but it certainly solves the problem we were asked to solve on that particular date.

With those few remarks I will continue to sit here and watch the Tories reverse themselves as usual. Last week they voted for

the resolution and this week they will vote to kill the bill. That will be very amusing. This being an evening I cannot do much else, so go ahead.

Mr. Harkness: Could I ask the right hon. minister a question?

Some hon. Members: No.

Mr. Howe (Port Arthur): Do you know a question?

Mr. Harkness: In view of the fact that he threatened the house only last week or the week before that he would put this thing to the end of the order paper and it would never come up and therefore the western farmer would suffer if we attempted to talk about this bill—

Mr. Howe (Port Arthur): If the hon. member had not put a twist in it that might have been a reasonable question. When he says that it would go to the foot of the government paper and therefore it would never come up, that of course is along the lines of the bunkum he has been distributing in this house during this particular debate. I said that I was not going to allow a filibuster to disturb the orderly proceedings of the house. If there must be a filibuster, we would put it over to the end of the session when we would have plenty of time. That was the offer I made and it was not accepted.

Mr. Harkness: May I ask that the minister answer the question instead of just talking.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I am sure that the house is pleased to have a statement from the minister, particularly his statement that he felt that the legislation which they introduced last fall was a solution to the immediate problem. The minister refers to the discussion today as being a filibuster. That is not the first time that he has referred to a debate as being a filibuster. If he wants to have a filibuster, we will show him what a filibuster is, and that will completely block the legislation.

What we are doing here is expressing emphatically our opposition to the policy of this government to deal with what is a very critical situation, the cash shortage on the prairie provinces. The minister's statement that this is a solution to that problem shows how completely he misunderstands the problem and how uninformed he is as to the real situation.

It is the same kind of thing we have had in this house before during this session. We have heard talk about the great prosperity which Canada is enjoying from east to west, but then it was said that there are a few people who are not enjoying this great prosperity to the full. One portion of Canada which is not enjoying fully this prosperity is the three prairie provinces.

That area of Canada is suffering an economic recession, because the farmers are unable to deliver their grain because of the policies of this government and its failure to sell wheat. Then when wheat was sold it has failed to fill the space in the elevators which was made available. They tell us that the box cars are away, that the transport controller is not available. The result is that the farmers are unable to get any cash from the delivery of grain, which is the basis of the economy in the west.

I shall use the figures placed on the record, and left on the record by the Minister of Agriculture last Friday afternoon. According to those figures of net farm income in the prairie provinces, whereas the net farm income in the maritimes dropped by about 19 per cent from 1952 to 1954, in the province of Quebec about three per cent, and in Ontario about 15 per cent, in Manitoba the drop was 54 per cent in net cash income, in Alberta it was 50 per cent, and in the province of Saskatchewan, where most of this objection is coming from, it was 77 per cent.

If the minister realized what that situation means to those people, he would not bring in this kind of legislation which forces the people who are put in this position by the policies of the government, to go to the banks and borrow money if they are able. There are certain very stringent regulations, and the bank managers have apparently been instructed to be very careful about their loaning, and the deductions which must be taken off any loan for which they may qualify in the way of taxation arrears, lien notes and other indebtedness, including any cash that they may have obtained from a small delivery of grain which they may have had. It is all very well for the minister, in talking about this debate, to refer to what he hears from this side of the house as "blather".

An hon. Member: It is a good Irish word.

Mr. Castleden: Yes, it is a good Irish word. I suggest to him that what some hon. members say, such as the hon. member for Rosthern this afternoon, might be called blather by us. He was sent here by the people of Rosthern to represent them. He can make his charges that we are deliberately misrepresenting the case and make such statements as that, but surely the evidence is before the house, the evidence of those people who know the situation, when the wheat pools and farm organizations, the

people involved from the three western provinces, come down here and place the facts before the government.

The Minister of Trade and Commerce has the bureau of statistics under his department and he knows the cash situation is serious. We are looking for a solution and we are trying to persuade this government there is something wrong. If we are repeating ourselves, it is only in an attempt to persuade the members opposite and the people of Canada that there is a serious situation and that this legislation does not solve it. That is why we are emphatic in our opposition.

We are opposed to this measure because we think it is wrong in principle. These people are forced into the serious economic condition they are in on the western prairies today by government policy. Apparently their crime is that they have produced too much and have had a good crop. Surely, when they have produced the crop—and they have difficulty in some years in doing so—they should be entitled to deliver it. They are asking the government to allow them to deliver it. Surely the government is responsible for their condition and should undertake the responsibility for easing the situation, by allowing them to have the same cash advance—in fact, it is only half of the cash advance—which the same farmers would have if the government had provided the means whereby they could have delivered the grain. That grain, instead of being in store in the elevators, will still be on the farm. It will still be entered in the farm's permit book and it will be held against any future deliveries. That the farmer should be burdened with another loan, with another note against his personal property and all his production and a note to the bank or to the mortgage company, is wrong. That is why the opposition is very emphatic. I know we are a minority group in this house, but the only way we have of letting the government know that the people out there are opposed to this legislation is by constantly repeating it and letting the government know that this is an injustice. It is our duty to oppose it and we intend to continue doing so.

I have always admired the way the hon. member for Rosthern tackles an impossible problem. We have had another great demonstration of that from him again this afternoon. He tried to persuade this house that because the Minister of Agriculture, from the province of Saskatchewan, was at a conference in Saskatoon where efforts were made to get the government to meet the situation adequately, he supported the conference decision to ask for advances and, because he supported that, therefore he supported bank loans. That is an utterly ridiculous stand for any person to take. The people just do not accept it. I maintain that every one of the members who came down here to interview the cabinet and told them that they wanted cash advances for grain on the farm through the wheat board, was certainly very disgusted when they found that all they got was an arrangement through the banks, whereby a very small percentage of the people who would need it were going to be allowed to borrow money and have a lien on their backs and pay interest—another toll to the banks.

What is this government doing about it? They are being very beneficent in their attitude. They say, "We are just going to guarantee that the banks will not lose any money. The banks will have to collect the loan when the grain is delivered. The banks will get the interest. We will see that the banks do not lose anything." I do not suppose this will cost the government anything. The last time they had similar legislation on the books, in 1952, their losses were almost negligible.

Because it fails completely to do the job that is needed desperately, we oppose it.

We also feel that perhaps Canada can afford to do something for these people. The government has to accept the responsibility for their condition and cannot get out of it. If the rest of Canada is enjoying tremendous prosperity, then I say that to condemn the prairie producers to this kind of condition, at a time like this when the remedy is so easy, is to discriminate against the people in that part of the country. That is the reason for the opposition, not only from members on this side of the house but from the people of that part of the country, in the representations that come to this government from the daily press and from the boards of trade and certainly, emphatically, in the representations from the farmers. I believe that the cabinet is going to receive another delegation from the interprovincial farm union, probably this week. I would suggest to them that again they look to the representations that come from that interprovincial farm union with regard to this legislation and see whether or not the legislation which is being brought into this house at this time is any kind of solution to the problem. The unanimous decisions of the mass protest meetings held across the country show that there is a great deal of dissatisfaction, and it is emphatic.

This Bill No. 82, now before us for second reading, is being discussed in principle. I have outlined the principles under which it operates. It is merely a bank loan. It is a system under which the farmer has to go to

the banks, and many farmers find it very difficult to get to the banks in our part of the country. I believe there are approximately 1,200 delivery points where the farmers haul their grain to the elevators, but there are less than 200 places, or one-sixth the number of delivery points, where there are any banks or lending institutions of the type that are allowed to lend money under this legislation. There are credit unions which the farmers use but the credit unions are told that their organization apparently is not suitable to carry on this kind of lending. They are not going to be included among those who can make loans which the government will guarantee.

It is wrong in principle to ask people, who find themselves placed in an uneconomic position by the actions of the government, to burden themselves with a further load of debt, but it seems very difficult to put that basic principle across in the house. We have repeated it and we have still to find anyone on the government side of the house who will say that the principle is sound and right. I will vote for the amendment and I want to compliment the hon. member for Winnipeg South Centre (Mr. Churchill) on his attitude with respect to the bill. It is further evidence that people from the prairie provinces are disturbed about it. They recognize that it is wrong. They recognize that to support it is to support something which is wrong in principle and they refuse to do that.

Among the things that have disturbed western people as far as this measure is concerned is the fact that in the past they have had their hopes raised by statements made by ministers in the house. I can remember sitting here on several occasions last year, when the Minister of Trade and Commerce (Mr. Howe) told us that the farmers would be able to deliver all the grain they had in store prior to the 1955 crop and that before the 1955 crop moved their bins would be empty. He raised their hopes but their hopes proved to be groundless. Some farmers have been allowed to deliver their eight bushel quota but many have not been able to do even that.

The minister referred to this measure as being a solution for all the problems of the farmer. It is very far from a solution so far as they are concerned. As a matter of fact, we have stressed for years that there is something basically wrong with an economic system under which the farmer has to operate with rising costs and decreasing returns. Even with the payments that have been made on the farmers' grain their income has been kept at a low level and agriculture is facing a very serious economic situation not only in western Canada but throughout the whole country. The extra burden placed on the western farmer by this legislation is really a slap in his face. He sees that, not only is he facing bankruptcy with a continuation of the policies now in effect, but also that even with the delivery of his grain he is faced with the problem of decreased income from his farm and constantly increasing costs of operation.

The protests from the farmers are spontaneous. For the Minister of Trade and Commerce to try to mislead the house by saying that the demand for cash advances through the wheat board comes from the businessmen and from people wishing to destroy the wheat board is completely and utterly unfounded. The rank and file of the farmers have expressed their opposition through the only means they have, and that is where the opposition comes from. The dissatisfaction of the farmers with conditions is completely justified. The farmer rejects the offer of a further loan as being a rebuke to the western grain grower. He rejects the offer of the government to guarantee loans as an insult to his intelligence. He is trying to make the government appreciate that there is a real problem here that requires solution. We are opposed to the measure because it is impractical. We are opposed to it because it is completely ineffective in solving the problem, and the red tape involved in trying to get a loan is such that it will discourage the farmer in almost every instance.

Among the prairie people there is a sort of ingrown distrust of loans, notes, mortgages and the like. They have bitter memories of the results of going into debt when cash income is reduced and they are unable to cope with the situation. Thousands of farmers lost everything they had in the thirties when they were affected by the same situation, and it was a lesson they have never forgotten. They are opposed to mortgages and they dislike going into debt with the banks. They have had experience before with loans and they do not want any more. They also know that when in the past provincial governments attempted to save the farmer from foreclosure and the loss of everything he owned by passing legislation to protect the farmer and his wife and family on the home quarter, the Supreme Court of Canada declared such legislation was ultra vires of the provinces.

They find that in every case the money interests are protected and the protection of the farmer, his wife, his family and home is secondary. Apparently justice is always given first to the banker, to the sacred rights of money, capital and interest. The preference is always given to the money lender and the wife, the family and the home come second.

Court conflicts which have always ended in protecting the sacred rights of capital have made the people of the west very much opposed to any idea of loans and debt. I have known cases where the bread earner of the family lost his life through an accident and the wife and children were forcibly evicted on the road allowance in order to satisfy the rights of capital and the interest that had to be paid. Surely it is time that humanity came first and the rights of capital second.

The producer also knows that borrowing money does not solve any problem for him. It is no solution. It merely adds to his burden. Apparently the government is grimly determined not to consider the proposal for cash advances made by our party and the people from the prairies. There are almost 4,000 elevator agents in Saskatchewan as compared with less than 200 bank managers and if cash advances were made through the wheat board for grain properly stored on the farm the elevator agent, who has the producer's permit book, knows him personally and deals with him every year, could easily go to the farm, inspect the grain and see that is it properly stored and graded. If the government should require it, he could put a seal on it.

Let the farmer sign a document that he will not sell it except through his permit book, enter the advance in the permit book, and I can assure the government that they will be perfectly safe. Surely that is a fair and equitable method and a practical means of solving the problem. The bank loan legislation is absolutely useless in meeting the situation. We reject it and the people reject it. The determination of the government to force it through is going to be met by equal determination on the part of those of us who represent these people and are sent here to speak for them.

Mr. Studer: You only represent the socialists.

Mr. Castleden: I have listened to your blather for a long time.

Mr. Studer: You represent no one else, just the socialists.

Mr. Castleden: I am very pleased to hear you use the word "socialist".

Mr. Studer: You represent the socialists and no other person.

Mr. Castleden: It is very nice for you to talk that way. We are very pleased to hear you say so. You had better go out and take a look at what is going on in your own area.

Mr. Studer: Are you not a socialist?

Mr. Castleden: We will be pleased to talk after this is over.

Mr. Studer: Are you not a socialist?

Mr. Castleden: I am very proud of the record of the government of Saskatchewan. Comparing what it has done with what your government did, we will be standing a very long time after you have gone.

Mr. Studer: You represent only the socialists.

Mr. Castleden: I will be glad to hear you stand up and give your little talk after.

Mr. Deputy Speaker: Order.

Mr. Castleden: The only trouble with the hon. member is that sometimes his mind stops running and he lets his mouth go on talking.

Mr. Studer: You are a socialist ventriloquist.

Mr. Castleden: When the vote comes, stand up and be counted and we will be glad to hear you.

Mr. Studer: You are a socialist—

Mr. Castleden: Is this a point of order?

Mr. Deputy Speaker: Order. I would ask hon. members not to interrupt the hon. member who has the floor without his consent.

Mr. Castleden: I hope the hon. member for Swift Current-Maple Creek will bow to your decision.

To sum up the situation, may I say that our opposition to this is based on opposition to the principle, which is wrong and unjust. It is completely useless as a substitute for something fair, practical and equitable which we have proposed that will do the job. We are just as determined to oppose it all the way through the house as the Minister of Trade and Commerce apparently is determined to ram it through whether or not the people like it.

Mr. A. W. A. White (Waterloo South): I had not intended to speak on this bill, but after listening to opposition members, particularly the C.C.F. group, continually criticizing the government over this legislation which is intended to help the western wheat farmer, I felt compelled to say a few words.

Mr. Castleden: Without any notes.

Mr. Gauthier (Portneuf): Never mind; you had notes.

Mr. Bennett: You just read yours.

Mr. White (Waterloo South): I should like to make it clear at the start that I do not believe the speakers from the opposition benches truly represent the thinking of the majority of wheat farmers in western Canada. The government proposes by this legislation

to guarantee bank loans to wheat producers in western Canada on farm-stored grain at 5 per cent interest with a ceiling of $1,500 on the loan. A little later we will also be discussing another bill which proposes that the government pay interest and storage charges on wheat held by the wheat board over the normal carry-over level. It is estimated this will cost the government $30 million.

While at the moment we are discussing the bill in connection with bank loans, yet I feel that both bills must be taken into consideration in order to fully appreciate the assistance being provided by the government to meet the emergency situation faced by western wheat producers. The position taken by the C.C.F. group and other opposition members is that the guaranteeing of bank loans up to $1,500 is not sufficient. As an alternative they suggest the wheat board should make cash advances on farm-stored grain. Some even say that these cash advances should be made without any interest being charged. I am afraid I cannot agree with hon. members opposite.

In the first place, the wheat board was established as a marketing agency and not a lending institution. The wheat board has neither the money nor the administration facilities to carry on such an extensive lending program. Even though the wheat board could borrow the necessary money at a lower interest rate than the farmers could get on the same loan from the bank, the administrative costs would be far greater. The difference in the interest rates would not make up the cost of administration. Neither can I subscribe to any suggestion that the rest of Canada should pay the interest charges on these loans on farm-stored grain.

When a manufacturer over-produces in order to provide employment for his workers nobody underwrites the interest charges on his bank loans or provides him with interest-free capital. When an industrial worker is out of work and unable to meet his monthly payments on his home in which he has invested his life savings, he has to borrow money wherever he can at whatever interest rate is necessary in order to meet his obligations and save his equity and his home.

What is the present situation so far as the western wheat producer is concerned? During the past four years, with favourable climatic conditions, there have been bumper crops of wheat. The wheat board has exported more wheat in each of those years than they did in any of the post-war crop years from 1947 to 1951. This is also true for the crop year 1954-55. In spite of this there is still a considerable amount of wheat in storage on farms and in elevators. But according to the dominion bureau of statistics daily bulletin dated February 7 of this year, there is very little change in the visible supplies of wheat as compared with January 25 a year ago. The bureau's figures indicate that the visible supplies of Canadian wheat as of that date total 359,778,000 bushels as against 357,151,000 the year previous.

The position of the western wheat producer has not worsened, therefore, to any great extent in the past year. I appreciate the fact that he needs some help at the moment, and I intend to support this bill, which will enable wheat farmers who need financial assistance to get bank loans. I also intend to support the other bill when it comes before the house. This bill would allow the government to pay interest and storage charges on wheat held by the wheat board over and above the normal carry-over level. I intend to support these bills because I recognize it is impossible for Canada to maintain its present high level of prosperity unless all sections of the economy share in that prosperity or are assisted in some way.

The riding of Waterloo South, which I have the honour to represent in this house, has within its boundaries a number of communities which are highly industrialized, including the adjoining municipalities of Galt and Preston which very shortly it is expected will make the second twin cities of Waterloo county. Those industrial communities are surrounded by fertile and rich farmlands which support a substantial dairy industry. Indeed, some of the finest dairy herds in Canada are to be found in Waterloo county. The dairy farmers in my riding appreciate the fact that the government saw fit to retain—

Mr. McCullough (Moose Mountain): Mr. Speaker—

Some hon. Members: Sit down.

Mr. McCullough (Moose Mountain): On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): The hon. member for Moose Mountain is rising on a point of order.

Mr. McCullough (Moose Mountain): My point of order is simply this. Before the dinner recess the Speaker raised a point of order because I was not confining my remarks strictly to the matter under discussion. I notice that the hon. member is transgressing the rule of the house that speeches must be strictly relevant to the matter under discussion.

The Acting Speaker (Mr. Applewhaite): So far as I am concerned—and I have heard every word of the speech of the hon. member who has the floor—he has not strayed

nearly as far from the subject matter under discussion as have a great many other speakers on all sides of the house. I assume—and I cannot tell whether this assumption is right for a minute or two—that his reference to the industrial communities in his own riding was going to be tied up with the subject matter of this bill as have been references to ports of export and overseas markets, and so forth. The hon. member will continue.

Mr. White (Waterloo South): As I was saying, Mr. Speaker, the dairy farmers in my riding appreciate the fact that the government saw fit to retain the 58 cent floor price on butter, but I can assure you, Mr. Speaker, that they do not appreciate the attitude of the socialist government in Saskatchewan which refused to buy any butter for the provincial institutions of that agricultural province when the federal government offered it to them at a reduction of 21 cents a pound because—and the reason they refused—

The Acting Speaker (Mr. Applewhaite): Order. I think I was right in the first place when I indicated that up to that point the hon. member had not got too far afield; but I am sure I can have no hesitation in indicating that in my opinion the attitude of any provincial government in the handling of butter can hardly be tied in with bank loans to farmers on farm-stored grain. I will admit that there may be a distant connection but I suggest to the hon. member it is a little too far distant for this debate.

Mr. White (Waterloo South): I was going on to say that is why I and others of this house are not greatly impressed by the arguments of the C.C.F. members in this house who belong to the same socialist party that refused to buy any butter at the reduced rate because it was going to cost that government a mere $20,000 a year.

Look at the irony of the situation, when the C.C.F. members in this house representing the province of Saskatchewan, which produces more wheat than the other two prairie provinces together, are not satisfied when this government is willing to spend $30 million to help the western wheat farmers and guarantee bank loans to them as well.

The leader of the C.C.F. group criticized the Minister of Trade and Commerce (Mr. Howe) for trying to get the resolution passed and the bill before the house after three days of debate which, in my opinion, offered ample opportunity for members to present their views to this house. I did not think that the leader of the C.C.F. group was being very consistent when he took this stand because I can well remember that when the former minister of finance advised the house that he was instructing the tariff board to hold a public hearing on the textile industry in Canada the leader of the C.C.F. group, on a nation-wide broadcast, without even waiting for the tariff board hearing to take place, without waiting for any legislation to be brought to this house, without waiting to hear any debate by hon. members, committed his party to oppose any attempt by the government to increase the preferential tariff on English textiles coming into this country.

I should like to point out to hon. members that in order to sell increased quantities of wheat which has been produced in western Canada we have been forced to accept ever-increasing quantities of manufactured goods from low-wage countries, which is seriously crippling our own domestic industries and putting many of our industrial workers out of work. Machine tools from Germany and the United Kingdom, woollens and worsteds from the United Kingdom, textiles from Japan and rubber footwear from Hong Kong, have been accepted in order to maintain our sales of wheat to those countries.

It is useless for hon. members opposite, as the hon. member for Assiniboia (Mr. Argue) did a while ago, to state, "Get rid of our wheat and put the money in the hands of our western farmers and we shall cure the unemployment situation in the east." The western farmer is no different from anyone else. If he can buy imported goods cheaper than he can buy Canadian-made goods he is going to buy them.

The more I listen to the C.C.F. representatives from western Canada the more I am convinced that they are not concerned with the welfare of the western wheat farmers as much as they are with political expediency.

If hon. members in this house from other parts of Canada were to adopt the same narrow and shortsighted policy adopted by the C.C.F. government in Saskatchewan in regard to butter none of us would support this legislation, but fortunately we are more broad-minded than that. In conclusion, I would urge the representatives from western Canada to remember that wheat is not the only economic problem in this great country, and to be a little more sympathetic to and have a little more understanding of the problems of other parts of Canada.

Mr. Macdonnell: On a question of privilege, Mr. Speaker; in the rather free-wheeling and rambling speech that the Minister of Trade and Commerce made a little while ago, rather to my surprise I heard him tell the house that on a certain occasion I had voted one way on the second reading and another way on the

third reading of a bill. I like to consider myself responsible for my actions. I believe it is an entire fiction of the minister's imagination. I believe that this is an entire figment of the minister's imagination and I would like him either to withdraw it or to give me the reference.

Mr. Howe (Port Arthur): The reference goes back a good many years. I will be pleased to bring it along and give it to my hon. friend. I remember the debate well but I do not remember what year it was in.

Mr. Macdonnell: Oh well, I will clear it up. Is the minister thinking about a certain occasion on which through inadvertence I voted in a way I did not intend to vote?

Some hon. Members: Hear, hear.

Mr. Macdonnell: I will tell him about that and I will tell him where to find it. If you will look at April 1, 1947, you will find it. I am not ashamed of that.

An hon. Member: April Fool's day.

Mr. Macdonnell: That is right. The former member for Fraser Valley said "new Conservative policy, vote both ways", but it has nothing to do with what the minister said tonight and I would ask him to withdraw it as I would prefer not to have anyone think that I voted on second reading in one way and in a different way on third reading. The minister must admit I have been very generous in telling him what was the true version of what he garbled.

Mr. Howe (Port Arthur): Well, Mr. Speaker, I had planned to look at *Hansard* and see if the hon. member's intentions were registered there when the vote was registered. However, if the hon. member feels sensitive about it, and since it traverses a period a long time ago when he and I were young, I will gladly withdraw it.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I have listened with keen interest to the hon. member for Waterloo South (Mr. White), who has just concluded a speech very close to the issue before the house. I could not help but think as a farmer in Ontario not far from his district that there is a close relationship between the sale of agricultural products and the substantial and stable development of industrial enterprises. As I listened to him I also could not help but think of another occasion when I listened to the hon. member for Waterloo North (Mr. Schneider). I could hear those gentlemen echoing the high protection policy surrounded by so many free traders. They sounded like infants crying in the night, crying for the light, with nothing but a cry to express their weakness. How could these gentlemen parade as free traders at election time and as high protectionists in this house?

An hon. Member: They got applause, too.

Mr. Rowe: There is not much applause for them from these dusty old free traders who have been in power so long. It is close to the issue because if we had a sound fiscal policy in Canada we would sell more agricultural products. As the hon. member knows so well, it is true; but he did not say that when a conservative protection candidate was running against him. If they were to go back home and sing the songs they sing here they would never return.

I also listened to the Minister of Trade and Commerce tonight as I have listened to him on many occasions in parliament, but never before have I seen a greater spectacle of contempt for parliament and smug satisfaction than when I listened to the lectures of the hon. gentleman as he endeavoured to tell us what we should say and when we should say it. The government has been in power so long, Mr. Speaker, that everything that is opposed to this government seems to them to be a filibuster. Surely it is not the Mardi Gras party which has made them feel like that. They have been growing towards this during the last 20 years. That is why the farmers of Canada are disturbed today, not only our western farmers, about whom we heard so much, but all farmers.

I have listened to the hon. gentleman talk about western farmers at great length. I have listened to the Minister of Justice (Mr. Garson) so much that I have stopped listening to him since the Minnedosa meeting, and now he is listening to them. We are tired, sick and sore of listening. The government has left the farmer as a forgotten man in Canada not only in the west but in the east.

One of the big troubles in relation to western farmers, as I have observed the situation here for the last 30 years, is that the government fails to see the forest for the trees. No one has changed and turned more political somersaults than the Minister of Agriculture (Mr. Gardiner) in those years. Every time they have a farmers' meeting, a conference of the federation of agriculture, a meeting of the union of farmers of western Canada, the dairymen's association of Ontario or a meeting of the hog producers, he changes policy.

The question arises, who is leading whom? Why, Mr. Speaker, the hon. gentleman tries to tell us from time to time what the western farmers think. On the other hand, you would think, judging from the smug complacency of the Minister of Finance (Mr. Harris) and the Minister of Trade and Commerce, that they

were leading somebody. The Minister of Finance is just like the late leader, the Right Hon. Mackenzie King—

Mr. Harris: Thank you.

Mr. Rowe: He never led this country. He just followed so closely that you people thought you were leading. Mr. King just followed public sentiment with political expediency while you people who were the silent ciphers and patient admirers thought he was leading somebody. This situation has been somewhat the same—

Mr. Howe (Port Arthur): Whom are you leading now?

Mr. Rowe: I am certainly not trying to lead you and I am definitely convinced that you never led me. I would hope, Mr. Speaker, that I would never be so feeble in politics that I would be led by the man of the House of Commons who tries to dominate the show and ignore parliament.

Mr. Howe (Port Arthur): The gentleman you refer to at least knows how he is going to vote on this bill and I do not think you do.

An hon. Member: Gone forever.

Mr. Rowe: I know how I am going to vote on the bill but it would not make a great deal of difference to you because you ignore parliament anyway, let alone a private member.

An hon. Member: What about the party line?

Mr. Rowe: I am not going to be diverted from my line of thought—

Some hon. Members: Oh, oh.

Mr. Rowe: —no, not even by the loud and empty laughter of the members of the Liberal cabinet who, I am glad, are nevertheless not too tired to laugh.

Some hon. Members: Oh, oh.

Mr. Rowe: Nor am I going to be diverted by the loud laughter of the Minister of Justice (Mr. Garson), who knows that this issue is not popular out in his province.

Mr. Schneider: What has that got to do with wheat?

Mr. Rowe: It has just as much to do with wheat as the comments of your sidekick a moment ago and just as much as textiles have to do with it, which a moment ago you were applauding so loudly. The Minister of Trade and Commerce says that this is the kind of palaver we have to listen to.

An hon. Member: Talk wheat.

An hon. Member: What about fish?

Mr. Rowe: They listen to that kind of palaver so far as wheat is concerned and those who laugh the longest and loudest are those who have contributed the least to the wheat situation in this dominion. When we talk about wheat in Canada today we must bear in mind that we have more unsold wheat in Canada than any other country has had in the last 40 years and these great champions who are telling us how to sell wheat have endeavoured to tell us that we are trying to destroy the wheat board. Every hon. member within summons of my voice should ask himself the question: Where were those gentlemen when the wheat board was set up? Where was the right hon. Minister of Agriculture?

An hon. Member: Manitoba.

Mr. Rowe: As an hon. member pointed out the other day, we know your history. These younger members do not know it so well, but we know that you were the champions of free enterprise, of the Winnipeg grain exchange long ago, and now you are heralding in a loud voice that we are trying to destroy the wheat board. We created it; you have never supported it until the last few years and then you mongrelized it with all sorts of socialistic ideas that have nearly destroyed it. That is what has happened to the wheat board. Anything for political expediency.

This wheat situation today is not a greater problem than it was before. Today we produce only about 5·5 per cent of world production, but in the years when these tired old gentlemen you are talking about—a few years ago you said our party did not do anything to market wheat—we had twice as large a percentage of world production as you have now. We had 40 per cent of the world trade and in three years you cut it down to 18 per cent, and this year you have only 26 per cent. The United States of America exported only one-quarter as much wheat as we did before you came into power; since you came into power they are exporting almost twice as much as we are. We have a smaller proportion of the world production of wheat than we have had at any time since 1925.

These sales champions are trying to tell you now that they have done a great job, that nobody else could do as well. Nobody since confederation has made such a mess of things. Talk about changing policy. The right hon. Minister of Trade and Commerce tells us that the United States of America is spoiling this. If it does not rain too much in the United States of America everything will be all right. You carry out a policy when you think everything will be all right.

He says that they are selling wheat too cheap. They are giving the constituents of bread to our friends too cheaply. The right hon. Minister of Agriculture is giving butter to those who are not our friends. The one says it is wrong for them to give bread to our friends too cheaply, the other says it is right to give butter to our enemies for 21 cents a pound less than the housewife in Canada pays.

Mr. Cheaper, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Rowe: Yes, nothing could be cheaper than the type of policy being carried on by these bread and butter twins that are trying to sell the products of Canada. One is smothered with wheat and the other is strangled with butter. One says that a billion bushels of wheat is not too much, that if it does not rain too much things will be all right and we can sell our wheat. The other twin says that they have only 100 million pounds of butter, that is not too much, the grass may be short next summer.

No wonder the farmers of Canada are dissatisfied. No wonder the young farmers of Canada are coming to members every weekend, as they come to me, wondering what they can do. Yet the right hon. Minister of Agriculture says that in Ontario they should not kick so much. You would think that they were expecting their adherents in the country to be as pliant as the Grit followers here. But they are befogged and bewildered and bitter. They do not know what way to turn. They ask me, "What shall I do? Shall I put another mortgage on the farm or shall I quit and try to get a job at Malton?" They are saying up and down the sidelines and bylines that neither the Right Hon. Jimmy Gardiner nor the Right Hon. C. D. Howe knows what is going on. The parade has gone by them. They have been at Ottawa so long, they are too tired to listen, they are too smug to look.

Mr. Gardiner: Let you and me go back to the dance.

Mr. Rowe: They have been so long in power that they are too tired to change.

An hon. Member: Bill 82.

Mr. Rowe: I do not need any instructions from my hon. friend. Any time you have been in order in the house you have been out of order with your party, so you cannot tell me anything. We see the smug complacency that creeps over any government which has been in power so long. You can speak about great problems that you have with wheat, but surely the world population has increased in the last few years. How well I recall, and I know he does too because he has a great memory when he likes to use it, my saying to the Minister of Agriculture, "You have been selling wheat over the last three years for from $400 million to $500 million less than the western farmer should get for his wheat". Everyone within sound of my voice who was here at that time will remember that. No one remembers it better than the minister. He said, "We are doing it to stabilize our markets with Great Britain". When I said to him—

The Acting Speaker (Mr. Applewhaite): Order. It is not too pleasant for us in the chair to feel that we must interrupt hon. members, particularly when the house as a whole is so obviously enjoying the speech of the hon. member. But unfortunately we must try to extend the same courtesy and latitude to one as to another. I think the time has come for me to point out to the hon. member who has the floor that we are dealing with the second reading of a bill to provide short-term credits to prairie grain producers by way of guaranteed bank loans. I think it is the usual thing for those of us in the chair to allow every hon. member to make general remarks at the commencement of his speech, as was perhaps done excessively not long ago, but I think the house and the hon. member for Dufferin-Simcoe (Mr. Rowe) will agree with me that the time has come when the hon. member should direct his remarks to the bill which is before us.

Mr. Rowe: Mr. Speaker, I certainly shall try to do that. I am glad that you suggested to me that you are going to allow me the same latitude as you allowed the hon. member for Waterloo South (Mr. White). We both will do our best to stick closely to the issue before the house. It is an important issue because it affects the economy of the whole dominion. The necessity for having either loans or cash advances has been brought about by the sales policy of the government. Probably you were not following me, but I was only trying to point out that one of the reasons was that a few years ago when I suggested to the right hon. Minister of Agriculture that we should not sell wheat for $400 million or $500 million less than the world wanted to pay for it, because the farmers might be able to use that money, he said to me, and the Speaker did not call him to order, "Don't you trust your English friends as I do?" I remember saying to him that I trusted them to be better traders than he was. To use the slang of the streets, how the chickens are coming home to roost! How those British traders must laugh at these bread and butter twins who thought they knew how to sell our products.

We have lost our market in Britain. Talk about stabilizing the market. In those years Britain was supplying only about 23 per cent of her wheat requirements. Today she is supplying about 35 per cent of her wheat requirements. France was just about producing what she required; she exported over 90 million bushels last year. These are the people who told the world that they would sell wheat at X price and the world would have to pay for it. They have changed their tactics. We have lost those markets today. Now we find one of those honourable traders searching behind the iron curtain for markets for agricultural products, while we find the right hon. Minister of Agriculture flirting with the same people to get rid of our wheat. That is a country that produces a great amount of wheat, and China alongside it produces many times as much wheat as we do. The farmers have been told that they never had it so good. The people who have never had it so good are the elevator people of western Canada storing the wheat that this government has failed to sell. They are the people who have had it the best.

The government now proposes to say to these gentlemen, "You cannot sell your wheat anywhere else. Some of your wheat we trade pound for pound for hay in Alberta. We are going to investigate you through the grain commissioners to see how much wheat is being sold in mixed grains to the United States. Now we are going to say that you cannot sell it to anybody else. If you have a farm in Alberta and live in Saskatchewan, you cannot feed it to your steers in Alberta". Look at this cabinet; they cannot eat it. They have the wheat situation in Canada in the most colossal muddle it has been in since confederation. They are condemning everybody else. They try to say that we destroyed the wheat board. We gave it its birth. They would not even accept the child on their doorsteps for the first four years. They owned it only after they had mongrelized it, as I have said. They have put political expediency on every term in the wheat pools and socialized agriculture to the extent that the farmers of Canada do not know where they are going. The dairymen of Canada are dissatisfied. The potato growers in the east are dissatisfied. The fruit and vegetable growers in my district are dissatisfied. The wheat growers of western Canada are dissatisfied. Tonight they say, "After we have made all these plans, you will pay 5 per cent for what any member of the cabinet can borrow at 4½ per cent. You will get the money at 5 per cent provided you have good credit".

In this whole issue, I am not concerned as to whether the Minister of Trade and Commerce withdraws the bill or threatens parliament or says, "We will not give these farmers anything until next July." There are 200,000 producers in western Canada, and in the first two weeks when this was brought in only 3,000 accepted the advances. The great bulk of those farmers out there borrowed in the same way as we farmers in Ontario borrowed. They paid their five per cent or whatever their credit would warrant in the banks. If all those who require it hound around through western Canada and find the branch banks and get acquainted with the bank managers, probably only about 5,000 or 6,000 out of the 200,000 will take advantage of it. So I might say to the Minister of Trade and Commerce that he may accept parliament or he may threaten parliament that he will do this or that if 3,000 or 4,000 more of the farmers of western Canada do not get a loan out of the 200,000. When the Minister of Trade and Commerce says he will close the door, he is all excited about nothing and out of breath for no purpose.

The trouble is that we have not performed as good salesmen. Surely the Minister of Agriculture and the Minister of Trade and Commerce will admit at long last that they have failed as salesmen of our agricultural products. I have great regard for both of them. Their political nimbleness has been astounding to all those who have not understood what was going on. They have gained the admiration, the applause and the desk-thumping of all their silent supporters in the back benches, many of whom are much brighter than they, in the last few years, but the farmers of Canada know very well that these men who have posed as champion salesmen, if it were not for the taxpayers' money, would have gone bankrupt long ago in selling Canada's products. In the last two or three years the Minister of Agriculture has allowed the dairy industry to be invaded by oleomargarine, and the other night he used oleomargarine himself.

It is a spectacle such as I have not seen since I have been in parliament, and I am not surprised that the farmers today are dissatisfied. I am not surprised that the young farmers have lost hope. I am not surprised that the old farmers are worried, because they find their government so complacent, smug and inconsiderate as to say that the farmers of Ontario are kicking too much and have nothing to kick about. The farmers in western Canada—the wheat growers—have something to kick about. I have every sympathy with the wheat growers of western

Canada, but all I shall say to them is, "Do not tell me your troubles; I am farming too."

An hon. Member: Raise horses.

Mr. Rowe: If my horses were no better than some of you fellows in the back row, I would go bankrupt at that too. Some of these smug and complacent fellows in the back rows remind me of some of my horses in the spring. Whenever they show any speed, they always make a mistake. I do not want to be too critical. I have been in this house a long time.

Mr. Knowles: I would like to hear you when you are critical.

Mr. Rowe: Someone said that they would like to hear me when I was critical. I find that the older I grow the more sympathetic I get, and the older this cabinet grows the more sympathy I realize it needs. I have felt long since disposed to extend the hand of sympathy to those who have been in power too long rather than to be critical. But I sometimes wonder whether the farmer is not the forgotten man and that is why we talk so much about him in parliament. The Minister of Trade and Commerce said that if the Conservatives were in power they would sell wheat for less and that the Leader of the Opposition had hurt the markets and that is why we had to bring in this bill and ask the farmers to pay five per cent—because our leader, the hon. George Drew, whose voice is becoming very effective in Canada—

Some hon. Members: Oh!

Mr. Rowe: The Minister of Trade and Commerce said that it was because he had caused panic throughout the world. He said he could have sold wheat much faster if it had not been for the opposition. When he says we would sell wheat for less, I think back over the years to the wheat we sold for $400 million to $500 million less than we could have had for it and then, after we joined the international wheat agreement—

An hon. Member: Which your party supported.

Mr. Rowe: They still sold wheat for 60 cents a bushel less than the world prices. After selling wheat for $400 million to $500 million less than they could have got for it, they joined the international wheat agreement and sold it for 60 cents a bushel less than the world prices. They say the farmers can borrow money, if they have credit and the bank manager likes the colour of their eyes, and they will be charged five per cent. That is the same interest my father used to pay about 30 years ago. Yes, Mr. Speaker—

[Mr. Rowe.]

Mr. Howe (Port Arthur): His credit was good.

Mr. Rowe: That is very generous. The Minister of Trade and Commerce says that we have changed our position.

An hon. Member: Did you ever have a position?

Mr. Rowe: Of course, in all fairness to him I know he is not getting old but he is getting weary. Today he fell asleep in the house and in his sleep he even interrupted the hon. member for Rosthern (Mr. Tucker). I cannot imagine anyone on that side of the house, even if they are awake, interrupting the hon. member for Rosthern because he has troubles enough of his own to straighten out his position on this critical problem. I have heard him struggling several times and I am glad that he has been spared to be with us here because he has had different viewpoints. I appreciate the conviction with which he expresses them and I hope he does not get hurt in the process.

But, Mr. Speaker, the Minister of Trade and Commerce tried to impress on us that we were the party that was going to sell for less. The record will show that the party he is trying to condemn on that basis has a pretty clean record with reference to the sale of wheat.

Mr. Howe (Port Arthur): You never got a price for it.

Mr. Rowe: Never got a price for it?

Mr. Howe (Port Arthur): Forty cent wheat.

Mr. Rowe: You say we never got a price for it. You are not even getting a sale for it, let alone a price. At least we sold wheat. At least the farmers' wives could buy bread.

Mr. Dickey: You would do it again on the same basis too.

Mr. Harris: At the least.

Mr. Rowe: But this government has taken $500 million from the farmers of western Canada that they might have had under world prices. Then they took 60 cents a bushel less under the international wheat agreement and still they have more unsold wheat than any government since confederation. After your party came into power you turned around and gave the western farmers—

Mr. Howe (Port Arthur): You cannot talk yourself out of that.

Mr. Rowe: Well, if you and your right hon. friend, the Minister of Agriculture (Mr. Gardiner), do not remember may I remind you that in 1938 after you had been in power for a while our portion of the world markets

dropped from the 36 per cent that our party left on your doorstep to 18·2 per cent and the price of wheat dropped from 90 cents to 80 cents and then to 60 cents. We put a floor in at 87 cents and never lost a dollar so far as the Canadian taxpayer was concerned. Then you reduced the price to 80 cents and you lost $125 million of the Canadian taxpayers' money. Then you took a $65 million booby prize and handed it back to the wheat growers of western Canada. These are the records, Mr. Speaker, that scream before the public today.

Mr. Dickey: You are the one who is screaming.

Mr. Rowe: These are the records that scream before the eyes of the wheat growers of western Canada and the farmers of eastern Canada. These are the reasons the farmers of western Canada have already lost confidence in the government. These are the reasons they do not believe these statements no matter how you change them on *Hansard*. The farmers know by the colour of your eyes. They can see it in the whites of your eyes that you are blustering. The farmers of this country are not satisfied. I leave it to the Minister of Agriculture. Go to the livestock breeders who are meeting in Toronto in February. Go to the fat stock people, go to the dairymen, go to the potato people, go to the fruit and vegetable people and you will find out what these people think about your handling of the whole agricultural situation.

What worries them more is how you ignore the problems. The Minister of Trade and Commerce says that there is no great problem, that all we need is a few more cars and we can sell wheat so fast that the cars cannot take it away. Why, the boats and the cars are filled with wheat we have sold and yet we find that 65 per cent less wheat was shipped in the first three weeks of January this year than in the same period last year. How do we reconcile these things?

Mr. Howe (Port Arthur): Where do you get these figures?

Mr. Rowe: No wonder you consider anything derogatory said against the government is blather! You do not like to hear it. No wonder you turn pale and go to sleep in parliament. You just cannot understand what has happened. The Minister of Agriculture tries to tell the farmers that there is no butter in Canada. You might as well sing the old song, "We have no bananas today". You have got more butter than you know what to do with.

Mr. Gardiner: Do you remember what Mr. Bennett said about the price of wheat the last year you were in parliament? He said wheat was the lowest price it had been for 400 years.

Mr. Rowe: Yes, Mr. Speaker, and I remember what your government did before Mr. Bennett came into power. You left more unsold wheat on his doorstep than had been left on any other doorstep since confederation, and if you go out of power, as I think you will if you leave the election for another year—

Mr. Dickey: Don't worry.

Mr. Rowe: I am not worrying except I know the kind of mess you left in the thirties. We were the honorary pallbearers then and we will likely be the honorary pallbearers again.

An hon. Member: Always a pallbearer.

Mr. Garson: You specialize in that.

Mr. Rowe: What did you do between 1921 and 1930? You lost everything and your little Grit friends in Manitoba did the same thing. You lost every market in Britain that we had. Never since confederation had we had as good a market in Britain as we had in 1921 when your party came into power. That is the record, Mr. Speaker, and it cannot be denied by any hon. member. In 1921 we were selling more beef, more pork, more wheat products to Britain than we had sold at any time since confederation and by 1930 we had totally lost that market and you were importing Danish bacon to feed to the people of western Canada.

Mr. Gardiner: Why did you lose out in 1935?

Mr. Rowe: Since that time what have you done? You have turned 67 per cent of your trade to the United States of America. You have bought products in the United States you could have bought in Britain, and have told the western farmers the fairy tale that you can sell even where you will not buy. You could not sell wheat in the United States and yet you bought 70 per cent of all you bought in the United States and you bought less from Britain proportionately than at any time in the last 40 years. You cannot have it both ways, Mr. Speaker. You cannot have your cake and eat it. You cannot play political expediency with the free traders of western Canada and the protectionists of South Waterloo or North Waterloo either. I call it ten o'clock, Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall continue this entertaining debate tomorrow.

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:

LOANS ON FARM-STORED GRAIN

Question No. 11—**Mr. Johnson (Kindersley):**

How many government guaranteed bank loans on farm-stored grain have been made to farmers in the amounts of (a) $1,000 to $1,500; (b) $750 to $1,000; (c) under $750, during each of the months of October, November and December, 1955?

Answer by: **Mr. Harris:**

		November	December
(a)	$1,001 to $1,500	980	1,212
(b)	$751 to $1,000	812	1,008
(c)	under $751	1,279	2,685

Loan operations did not commence until November 15, 1955.

COST OF LIVING INDEX—FINANCE CHARGES

Question No. 68—**Mr. Leboe:**

Does the computing of the cost of living index include the finance charges paid by consumers buying under conditional sales agreements?

Answer by: **Mr. Howe (Port Arthur):**

The only finance charge reflected directly in the consumer price index, formerly titled the cost of living index, is interest on homes being purchased. Although this item represents an important fraction of total consumer credit outstanding, it exercises very little effect on the movements of the index.

SMOKED HERRING FOR REDUCTION

Question No. 73—**Mr. Regier:**

Before the passing of order in council P.C. 1954-981, June 30, 1954, authorizing the sale of smoked herring at 9 cents per box for reduction purposes, was any inquiry made of the Department of External Affairs, the Colombo plan organization, or any subsidiary of the United Nations to determine whether this food could be disposed of for the relief of hungry people?

Answer by: **Mr. Sinclair:**

The smoked herring—bloaters—in question were hard cured, smoked, round herring, a product largely unknown in fish consuming areas outside of the Caribbean. These fish were entirely of 1952 production, could only be classed as of standard quality, and were very dry. The fisheries prices support board was of opinion that a product of this type and quality should not be used as a gift of Canada to consumers in a foreign country. The Department of Trade and Commerce did make inquiry in the Belgian Congo where the product is known, but no interest could be developed.

REPLACEMENT OF RAILWAY STATION DEPOTS

Question No. 91—**Mr. Pommer:**

1. How many applications have been made in the calendar year 1955, by the railways, to the Board of Transport Commissioners for Canada, to replace station agents with caretakers in (a) Manitoba; (b) Saskatchewan; (c) Alberta?
2. How many applications were made by the Canadian National Railways?
3. How many applications were made by the Canadian Pacific Railway?
4. What are the names of the stations in (a) Manitoba; (b) Saskatchewan; (c) Alberta, for which applications to replace station agents with caretakers were approved?

Answer by: **Mr. Marler:**

1. (a) 27, (b) 30, (c) 11.

2. 49.

3. 19.

4. (a) High Bluff, C.P.R.; Regent, C.P.R.; Roland, C.P.R.; Sinclair, C.P.R.; Griswold, C.P.R.; Crandall, C.P.R.; Bradwardine, C.P.R.; Petersfield, C.P.R.; Fraserwood, C.P.R.; Inwood, C.N.R.; McArthur, C.P.R.; Woodnorth, C.N.R.; Graysville, C.N.R.; St. Laurent, C.N.R.

(b) Waldron, C.N.R.; Trayner, C.N.R.; Wartime, C.N.R.; Carruthers, C.N.R.; Donovan, C.N.R.; Estlin, C.N.R.

(c) Tees, C.P.R.; Parkland, C.P.R.; Gibbons, C.N.R.; Haynes, C.N.R.; Chin, C.P.R.; Dalemead, C.P.R.

Note: In 14 cases the applications from the railways did not provide for the appointment of a caretaker but in each of these cases the board only granted the application on the understanding that a caretaker would be substituted for the agent.

FISHERIES STATISTICS

Question No. 104—**Mr. Bell:**

With respect to British Columbia, the maritimes, Quebec, Newfoundland, and the inland fisheries, each year for the last five years:

1. What has been the total marketed value of (a) all fish landed; (b) all salmon landed?
2. What has been the amount spent on research (a) on all types of fish; (b) on salmon only?

Answer by: **Mr. Sinclair:**

1 (a) & (b). MARKETED VALUE* OF FISHERY PRODUCTS PROCESSED FROM LANDINGS BY COMMERCIAL FISHERMEN

—	British Columbia	Maritimes	Quebec	Newfoundland (estimated)	Inland Fisheries
			—in thousands of dollars—		
1950					
All species	68,821	60,148	5,063	30,000	18,729
Salmon	48,702	880	336	800	
1951					
All species	85,396	64,602	5,006	29,000	20,889
Salmon	60,750	626	326	1,000	
1952					
All species	58,098	66,604	5,664	27,500	19,454
Salmon	40,495	689	384	1,000	
1953					
All species	66,260	61,437	5,270	24,000	17,260
Salmon	47,936	613	346	1,000	
1954					
All species	70,699	70,004	4,941	28,000	18,740
Salmon	50,284	777	261	800	

* Value F.O.B. processors' plants or fishermen's premises.
NOTE: 1955 figures not yet available.

2 (*a*). AMOUNT SPENT ON RESEARCH ON ALL TYPES OF FISH

—	1954-55	1953-54	1952-53	1951-52	1950-51
	$	$	$	$	$
British Columbia	622,833	538,845	464,767	461,392	435,200
Maritimes	541,290	520,015	508,360	502,314	476,420
Quebec	43,253	55,039	58,306	51,503	55,772
Newfoundland	244,669	241,717	212,787	151,227	130,468
Inland	203,790	85,498	40,559	44,831	42,092
TOTALS	1,655,835	1,441,114	1,284,779	1,211,267	1,139,952

2 (b). AMOUNT SPENT ON RESEARCH ON SALMON ONLY

—	1954-55	1953-54	1952-53	1951-52	1950-51
	$	$	$	$	$
Atlantic	65,702	66,880	65,263	63,258	60,243
Pacific	162,759	170,751	150,981	120,449	117,360
TOTALS	228,461	237,631	216,244	183,707	177,603

Questions

WHEAT MARKETINGS, ALBERTA, 1954-55

Question No. 105—**Mr. Smith (Battle River-Camrose):**

1. How many bushels of wheat, grades 1, 2, 3, 4, 5, 6, and feed, were marketed at local elevators in the province of Alberta during the crop year, 1954-55?

	Straight grade
No. 1 Nor.	1,265,128.6
No. 2 Nor.	22,111,228.7
No. 3 Nor.	23,584,225.8
No. 4 Nor.	11,670,663.5
No. 5 Wht.	16,764,013.9
No. 6 Wht.	5,017,313.8
Feed Wheat	1,322,595.2
Total	81,735,169.5

2. The 1954-55 pool account wheat is still under sale and therefore average selling prices are not available. In any case it is not possible from board records to compile average selling prices for wheat originating in a single area in the prairie provinces on account of intermingling in terminal elevators.

2. What was the wheat board's average selling price per bushel for each of the above grades of wheat?

Answer by: **Mr. Howe (Port Arthur):**

1. Purchased from producers in the province of Alberta:

	Tough	Damp (bushels)	Total
No. 1 Nor.	478.7	—	1,265,607.3
No. 2 Nor.	99,080.1	—	22,210,308.8
No. 3 Nor.	926,376.1	4,488.8	24,515,090.7
No. 4 Nor.	2,755,994.3	10,594.5	14,437,252.3
No. 5 Wht.	3,793,224.1	15,660.7	20,572,898.7
No. 6 Wht.	1,556,855.3	14,472.5	6,588,641.6
Feed Wheat	448,544.8	24,902.7	1,796,042.7
	9,580,553.4	70,119.2	91,385,842.1

CEMENT IMPORTS

Question No. 114—**Mr. Johnson (Kindersley):**

1. How much cement was imported into (a) the maritimes; (b) Ontario and Quebec; (c) the prairie provinces; (d) British Columbia, from (i) the United States; (ii) other sources, in 1955?

2. What was the average price at the port of entry in the above areas?

Answer by: **Mr. Howe (Port Arthur):**

1. Imports of cement, period January 1 to October 31, 1955 (latest period available):

	Cwt.	Value
The maritimes		
United States	291	$ 444
Other sources	409,747	336,274
Ontario and Quebec		
United States	488,278	625,873
Other sources	5,759,759	4,125,460
Prairie provinces		
United States	960,374	1,029,319
Other sources	40,595	27,116
British Columbia		
United States	679,689	732,800
Other sources	16,036	25,090

2. Average prices at ports of entry are not available from trade statistics. Import values are taken at the point from which goods were shipped to Canada.

OFF-SITE GRAIN STORAGE

Question No. 115—**Mr. Johnson (Kindersley):**

1. How many buildings for off-site storage of grain were approved by the board of grain commissioners during 1955, in the provinces of (a) Saskatchewan; (b) Manitoba; (c) Alberta?

2. What was the total capacity licensed in each province?

Answer by: **Mr. Howe (Port Arthur):**

1. New applications for off-site storage approved in 1955:

	(1) No. of buildings	(2) Capacity bushels
(a) Saskatchewan	69	1,681,200
(b) Manitoba	4	242,000
(c) Alberta	86	1,931,350

2. Total capacity licensed in each province as at December 31, 1955:

	(1) No. of buildings	(2) Capacity bushels
(a) Saskatchewan	165	4,483,950
(b) Manitoba	9	505,000
(c) Alberta	137	478,350

TRANS-CANADA HIGHWAY

Question No. 121—**Mr. Hodgson:**

1. How many miles of trans-Canada highway have been completed to date, by provinces?

2. How many miles are hard top, paved or mulched?

3. How many miles are completed with gravel top?

4. How many miles are under construction?

5. How many miles are yet to be constructed in each province?

6. Has any agreement regarding the trans-Canada highway been arranged with the province of Quebec?

Answer by: **Mr. Pinard (for Mr. Winters):**

1. Mileage (equivalent) of trans-Canada highway completed to December 31, 1955:

Newfoundland	141
Prince Edward Island	50
Nova Scotia	26
New Brunswick	65
Ontario	387
Manitoba	151
Saskatchewan	347
Alberta	208
British Columbia	193
Total	1,568

Note: Equivalent mileage is based on the actual work completed of the total work under contract.

2. 2,853 miles.

3. 1,477 miles.

4. 229 miles (equivalent) under construction.

5. Mileage (equivalent) yet to be constructed:

Newfoundland	409
Prince Edward Island	20
Nova Scotia	348
New Brunswick	243
Ontario	960
Manitoba	128
Saskatchewan	61
Alberta	78
British Columbia	453
Total	2,700

6. No.

KICKING HORSE RIVER BRIDGE

Question No. 126—**Mr. Johnston (Bow River):**

1. Has the original location for the bridge on the trans-Canada highway which crosses the Kicking Horse river near the junction of the Kicking Horse river and the Yoho river in the Yoho national park been changed?

2. If so, (a) for what reason; (b) what has been the additional cost of this change?

Answer by: **Mr. Pinard (for Mr. Winters):**

1. Yes.

Questions

2. (a) The original location on the old road was such that the bridge had to be approached by a switch-back climb involving extremely hazardous hairpin turns, entirely unsuitable to modern highway standards. (b) The new bridge is estimated to cost approximately $200,000. It is difficult to arrive at a cost comparison, since the original bridge was built 15 to 20 years ago, and to a much lower standard of construction.

TRANS-CANADA HIGHWAY—BANFF NATIONAL PARK

Question No. 129—**Mr. Johnston (Bow River):**

1. Will the construction of the federal government's share of the trans-Canada highway in Banff national park be completed by the end of the present contract date, December 9, 1956?

2. If not, when will it be completed?

3. How many miles of the trans-Canada highway run through the Banff national park?

4. How many miles in the park are completed, and when will the balance be completed?

5. How much of the trans-Canada highway has been completed between the east gate and the town of Banff?

6. Have there been any repairs on this section of the road?

7. If so, what was the nature of the repairs and what was the cost?

Answer by: **Mr. Pinard (for Mr. Winters):**

1. No.

2. At present rate of progress, December 1, 1959.

3. Fifty-one miles.

4. No mileage completed. All but twelve miles will be under contract for grading, culverts and gravel base by March 31. Completion to final pavement expected December 1, 1959.

5. Eight of the ten miles completed to gravel base stage.

6. Yes.

7. The gravel base course, part of which is asphalt bound, has been scarified and reshaped. The cost has been the normal cost of maintenance of this temporary type of surface under the exceptionally heavy tourist traffic, i.e., between $200 and $300 per mile.

HOUSE OF COMMONS

Wednesday, February 15, 1956

The house met at 2.30 p.m.

TELEVISION

PETITION REQUESTING PRIVATE STATION IN MUNICIPALITY OF BURNABY, B.C.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I have the honour to present on the behalf of the people of Burnaby, British Columbia, a petition of 13,333 names which prays this house to allow a private television station in the municipality of Burnaby, British Columbia.*

*See also page 1231.

TRANSPORT ACT

AMENDMENT TO BRING BRITISH COLUMBIA PUBLIC CARRIERS BY WATER UNDER JURISDICTION OF TRANSPORT COMMISSION

Mr. T. S. Barnett (Comox-Alberni) moved for leave to introduce Bill No. 107, to amend the Transport Act.

Mr. Green: May we have an explanation?

Mr. Barnett: Mr. Speaker, the purpose of this bill is to bring the public carriers by water in the province of British Columbia under the jurisdiction of the board of transport commissioners.

Motion agreed to and bill read the first time.

DIVORCE JURISDICTION

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

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 108, respecting the jurisdiction of the Exchequer Court of Canada.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to rid parliament of the divorce business. It does so without placing divorce courts in any province where the majority does not wish to have them.

Motion agreed to and bill read the first time.

STARRED QUESTIONS

HOGS—FLOOR PRICE STATISTICS

Question No. 11—**Mr. McCullough (Moose Mountain):**

1. At what marketing points are floor prices established for hogs?
2. Under what authority and on what date were these floor prices established?
3. What grades of hogs are included under the established floor prices?
4. What, if any, legal authority establishes the variation in prices as between grades?
5. Is a farmer automatically guaranteed these floors at Regina, Winnipeg, Toronto or Montreal?
6. If not, what procedure must be followed to obtain floor prices?

Mr. Gardiner: Mr. Speaker, I wish to answer the first two parts of this question in the one answer.

1 and 2. Under the authority of the Agricultural Prices Support Act, P.C. 4141, dated September 24, 1952, authorizes the agricultural prices support board to offer to purchase hogs and pork in whichever form is considered preferable on the basis of a price equivalent to $23 per 100 pounds, warm dressed weight from grade A carcasses, basis Toronto and Montreal, with appropriate differentials for other principal public stockyards throughout Canada.

The agricultural prices support board has established the following prices for grade A carcasses at the named public stockyards under this authority:

Montreal and Toronto	$23.00 per 100 pounds
Winnipeg	$20.00 per 100 pounds
Regina, Moose Jaw, Prince Albert and Saskatoon	$19.00 per 100 pounds
Calgary and Edmonton	$18.50 per 100 pounds
Lethbridge	$18.25 per 100 pounds

The Montreal and Toronto price was set by P.C. 4141 dated September 24, 1952. The remainder of the prices as indicated, with the exception of the Lethbridge price, were originally set by the board on October 8, 1954. Periodic reviews have been made by officials of the department and the agricultural prices support board since that time and the Lethbridge price as indicated was set on January 6, 1956, after a special review of the Alberta and Saskatchewan situations.

3. Support prices have been established on grade A carcasses.

4. The federal government has no legal authority to establish differentials in prices

between grades except if price support becomes operative the agricultural prices support board may offer to purchase hogs or pork on the basis of appropriate differentials between grades by prescribing prices therefor equivalent to $23 for grade A carcasses, basis Toronto and Montreal.

5. The farmer does not need to accept less than the established prices at the named public stockyards.

6. Advise the agricultural prices support board.

[*Later:*]

On the orders of the day:

Mr. Bryson: Mr. Speaker, I should like to direct a question to the Minister of Agriculture arising out of his rather lengthy oral statement a moment ago relating to floor prices. If, as the minister suggested, the support price for hogs is based on the warm dressed weight,—

Mr. Speaker: Order.

Mr. Bryson: Mr. Speaker, my question is: How can he expect the producer to be paid for hogs delivered to a stockyard?

Mr. Gardiner: Mr. Speaker, we have some very clever individuals in the Department of Agriculture who do this work for me.

U.S. AIR FORCE—ROUTINE FLIGHTS WITH ATOMIC WEAPONS

Question No. 12—**Mr. Knowles:**

1. Is the government aware of reports credited to the United States continental air defence command that United States air force planes will shortly be carrying atomic weapons on routine defence flights?

2. If so, will any of such flights be over Canadian territory and by what authority?

3. Is it intended that any Royal Canadian Air Force planes will carry atomic weapons? If so, under what circumstances?

Mr. Campney: Mr. Speaker, this question is in three parts.

The answer to the first part of the question is yes.

With respect to the second part of the question, any such flights over Canadian territory would require prior arrangements with the Canadian government and no request looking to such arrangements has been received.

As to the third question, the R.C.A.F. is watching very carefully the development of all types of air defence weapons, but as to the intentions of the air force in this matter, I am sure the house will appreciate that I cannot properly discuss them at this time.

UNEMPLOYMENT INSURANCE BENEFITS

Question No. 14—**Mr. Knowles:**

1. During the period from October 2, 1955, to January 25, 1956, how many persons, by provinces or by regions, were refused unemployment insurance benefits by reason of their inability to meet the requirements of section 45(2) of the Unemployment Insurance Act?

2. By provinces or by regions, how many of these cases have been reviewed?

3. By provinces or by regions, how many of these persons have been put on unemployment insurance benefits as a result of the re-interpretation of section 119(b) of the Unemployment Insurance Act, announced by the Minister of Labour on January 25, 1956?

Mr. Gregg: Mr. Speaker, the review of the claims to which I referred on January 25 is going steadily forward in spite of the fact that our unemployment insurance offices are very busy at this time of year.

There has not been enough information obtained to answer in any kind of a satisfactory manner the questions which are here asked by my hon. friend. In view of the fact that the hon. member for Hamilton West (Mrs. Fairclough) and a number of other hon. members have given evidence of keen interest in this matter, if the hon. member for Winnipeg North Centre (Mr. Knowles) will take this as acknowledgment of his question I will undertake at the first opportunity to make a statement on this matter in which I will include, as far as I can, the answers to these questions.

Mr. Speaker: Agreed?

Mr. Knowles: Agreed.

C.B.C. "RADIO TIMES"

Question No. 15—**Mr. Diefenbaker:**

1. Under whose auspices is the Canadian Broadcasting Corporation *Radio Times* published?

2. Did it in a recent listing of prospective programs on both radio and T.V. include as a program a discussion of Ferns and Ostry's, "The Age of Mackenzie King"?

3. If so, on what date or dates was the said discussion to take place and on whose authority was such listing given or advertised?

4. Did such program take place at the time or times advertised or at any time since? If not, for what reason?

5. Does the Canadian Broadcasting Corporation or any of its officials exercise any censorship (other than on grounds of decency) of programs on the Canadian Broadcasting Corporation?

6. What is the recognized policy followed by the Canadian Broadcasting Corporation respecting censorship?

Mr. McCann: The corporation advises:

1. The Canadian Broadcasting Corporation.

2. It did not carry a listing of presentation of a television program on the book "The Age of Mackenzie King", but did carry a listing of a radio program bringing a discussion of the book.

3. The answer is: According to the listing, the radio program was to be December 20. The listings in the C.B.C. *Times* are given on the authority of the C.B.C.

4. The answer is: Some consideration was given earlier to the book "The Age of Mackenzie King" as a possible subject for a national television network program with the idea that the sound part could be carried later on a radio program anthology, but on consideration the book was not judged to be a good basis for such a discussion or to merit this special broadcasting attention. The listing mentioned above was carried in error in the C.B.C. *Times* since there would be no sound recording available as a television program was not being proceeded with.

5 and 6. The answer to both questions is as follows: The corporation carries full responsibility for deciding on programs. It has to try to see that any material broadcast conforms with laws or regulations applying and also that commercial or other general material is acceptable under its policies. In any programs dealing with opinions it exercises no censorship on the expression of opinions.

"STATEMENTS AND SPEECHES"—DISTRIBUTION LIST

Question No. 16—**Mr. Fulton:**

1. What is the present total of names on the distribution list for "Statements and Speeches" distributed by the information division of the Department of External Affairs?
2. Of this total, how many are in Canada?
3. Of this total, how many are newspapers in Canada?

Mr. Pearson: The answer to the first part of this question is that 2,014 copies, 1762 in English and 252 in French, of issues of the external affairs statements and speeches series are distributed on regular mailing lists, which include only names which are there on request of the person receiving the material. In addition copies of specific issues are mailed out in response to requests for such issues.

The answer to the second question is that 872 copies, 746 in English and 126 in French, are distributed regularly in Canada and 1,142 copies, 1,016 in English and 126 in French, are distributed abroad.

The answer to the third question is that about 100 copies of each issue are distributed to newspapers and newspapermen in Canada.

[*Later:*]

On the orders of the day:

Mr. Fulton: I should like to ask the Secretary of State for External Affairs a question arising out of the oral answer he gave to question 16 a few moments ago, that is, whether he considers it appropriate that copies of the speeches made by the minister in controversial debates in this house—

Mr. Speaker: Order. May I suggest to the hon. member for Kamloops that this is not the type of question such as is contemplated by the standing order. It is one that he may pursue when the estimates of the department are before the house in committee of supply.

Mr. Fulton: My understanding is that on the orders of the day one is permitted to ask questions relating to government policy. I am seeking to ascertain the policy of the department in connection with the question I am asking.

Mr. Speaker: The hon. member and I do not understand the rules in the same fashion, I am sorry to say. It is quite true that, since I am in the position in which I am with respect to these questions of which I receive no notice, there are many that are put and answered without any intervention on my part, but it is permissible to ask information from the minister with respect to any matters coming under his jurisdiction as minister.

Mr. Fulton: This does.

Mr. Speaker: Yes, but at this moment he is asking if he thinks it appropriate that a certain thing be done. If the minister says that it is not, we can immediately have other supplementary questions on that very subject which make a debate out of the question. I think the hon. member will realize that. I do not want to make too fine a distinction on these questions. I have just glanced through various rulings that have been made in the past, and I have not time to go through the whole list, but I see one here that may not cover exactly the point, but I am sure it is applicable. This is in citation 295, page 120, of Beauchesne's third edition:

> . . . raise a matter of policy too large to be dealt with in the limits of an answer to a question.

We must also ask ourselves whether it is fair at this moment to ask a question which the minister might feel he might deal with at greater length than is usually expected of him at this time. We must also keep in mind that, whatever question is being asked, if the answer is to be lengthy it postpones further the asking of questions by other hon. members who are ready to ask questions at this time.

Mr. Fulton: I could ask my question in short form and perhaps use other words. Is it the policy of the department to distribute to the list of names outlined a moment ago, including the 100 newspapermen in Canada, statements made in controversial debates reflecting only the views of the minister?

Mr. Pearson: I think I should deal with this question now, though it could of course more effectively be discussed when the estimates were before the committee or in

the committee on external affairs, because the hon. member for Eglinton asked a similar question the other day.

Mr. Fleming: On February 9.

Mr. Pearson: I was ready to answer on Monday. At that time it was indicated on this side that an answer was being prepared. So under the circumstances I think I should give the answer now to the hon. member for Eglinton, though this matter could be discussed at greater length in the committee on external affairs.

The hon. member asked if I considered it a proper use of public funds for the Department of External Affairs to publish statements I made in the house on January 24 and January 31, but not those of other hon. members. I believe it is quite proper that in the fulfilment of its obligations to inform the public of the government's external policies that the government should make public statements of government policy. It is not, of course, a function of the department to defend the government's policies, nor to present alternative ones.

The department makes public these policy statements in different ways. There is, for instance, the "Canadian Weekly Bulletin", which is not circulated in Canada but goes to all Canadian posts abroad and on request to individuals residing in other countries. Perhaps the hon. member, however, had in mind the extracts from my two recent statements in the house which were reprinted by the department in a series of papers called "Statements and Speeches", and to which reference was made this afternoon. This series is distributed only to persons within and without Canada who have requested that they be placed on the mailing list. The list is reviewed periodically and only those who indicate a definite desire to continue receiving these papers are kept on the list.

The hon. member for Eglinton might note that in making public parts of my statement of January 24 on policy regarding the export of military equipment to the Middle East, the department as is its practice omitted certain sections which were of a debating character.

BRENT CASE—COST OF APPEAL

Question No. 17—**Mr. Cameron (Nanaimo):**

What was the total cost to the crown of the appeal taken to Supreme Court of Canada from the judgment of the Ontario court of appeal of April 5, 1955, in the case of Shirley Kathleen Brent?

Mr. Garson:

Mr. Speaker, this appeal was heard in the Supreme Court of Canada on February 8 and 9, 1956. Judgment was given from the bench on February 9 dismissing the appeal with costs. The costs have not as yet been taxed; therefore, until such time as they are taxed, it is not possible to answer this question.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POST OFFICE BREAK-INS

Question No. 122—**Mr. Hodgson:**

1. How many post offices in Canada have telephones?
2. How many have burglar alarm systems installed?
3. How many were burglarized or broken into during 1955?
4. What was the estimated damage in each case?
5. What value in money, stamps and money orders disappeared or were destroyed in each case?

FEDERAL EXPENDITURES, BRITISH COLUMBIA

Question No. 131—**Mr. Goode:**

What is the itemized amount of moneys expended by the federal government in the province of British Columbia for the fiscal years 1953-54 and 1945-55, including veterans' pensions, war veterans' allowances, federal share of old age pensions, family allowances, hospital and scientific grants, trans-Canada highway, capital construction, etc.?

AMALGAMATION OF GOVERNMENT AGENCIES

Question No. 133—**Mr. Thatcher:**

1. How many people across Canada are employed in: (a) the Canadian farm loan board; (b) the administration of the Farm Improvement Loans Act; (c) the administration of the Veterans Land Act?
2. What liaison exists between these three federal agencies?
3. Has consideration been given to the amalgamation of these three agencies into one over-all farm credit organization?
4. Are there major reasons which would make such an amalgamation impractical?

CANADIAN BROADCASTING CORPORATION

REFERENCE TO ALLEGED CANCELLATION OF PROGRAM

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Minister of National Revenue who in the Canadian Broadcasting Corporation made the decision that the program on "The Age of Mackenzie King" by Ferns and Ostry should not proceed?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I do not know the answer to that question inasmuch as I cannot give the exact name, but the Canadian Broadcasting Corporation takes full responsibility for such action as they took.

Mr. Fleming: I realize that, but I ask the minister, if he has not information as to who

made the decision, will he be prepared to obtain it and give it to the house?

Some hon. Members: No.

Mr. McCann: In answer to that question, I shall take the matter up with the Canadian Broadcasting Corporation.

EXTERNAL AFFAIRS

REPORT OF CANADIAN RIFLES BEING TAKEN FROM ALGERIAN REBELS

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. What basis of fact is there in the report that French authorities have taken some Canadian rifles from Algerian rebels?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. gentleman was good enough to give me notice yesterday of his intention to ask this question and also to indicate the magazine from which his information was received. I wish to thank him for that notice because it has given us time to get in touch with the government concerned in order to ascertain whether or not this report is accurate.

We have not yet received that report, and therefore I cannot answer his question definitively. The article in question includes information which the writer received from a French official in Algeria to the effect—and this is the information he gave the writer—that out of every ten rifles taken perhaps eight are British and the others Canadian or Belgian. I do know that an examination of the trade statistics going back to 1946 reveals no shipments of rifles from Canada to Spanish Morocco, French Morocco, Algeria, Tunisia or Egypt during that period, but, as I have stated, I cannot give a final reply until I have heard from the government concerned with this matter.

[*Later:*]

On the orders of the day:

Mr. Pearson: Mr. Speaker, I am now in a position to give a final reply—or I hope it will be final—to the question asked by my friend the hon. member for Winnipeg North in regard to the report about Canadian rifles in Algeria. This is the reply which has just been received by telegram from Paris.

Authorities said that in the area with which the report was concerned—and this is from French official sources—the French had captured to date from rebels 66 rifles of British origin marked "B.S.A. .303", of which five had apparently once belonged to Canadian military forces. All these rifles were described as old weapons presumably abandoned during the last war in Egypt, Libya and Tunisia.

The French authorities have no evidence that the rebels are using Canadian rifles of recent origin.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—APPLICATION TO U.S. FEDERAL POWER COMMISSION

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Trade and Commerce. In view of yesterday's Canadian Press dispatch from Washington outlining the mounting and serious opposition building up in the United States against the application of Trans-Canada Pipe Lines—

Mr. Speaker: Order. The moment the hon. member began saying, "in view of", he imported into his question more information than the house should care to receive at this moment. The hon. member should be seeking information from the cabinet, not giving it to the house. When it comes to dispatches from newspapers, I am not very much impressed by all these questions which seem to assume that cabinet ministers should have had time to read all the newspaper dispatches published throughout the country in the few hours that they have between the time of publication and entering this house.

It has been ruled on several occasions that it is not in order to inquire—I am referring now to citation 295, paragraph (e):

—inquire whether statements made in a newspaper are true.

If the hon. member is ready to put his question without any preamble, we will see what his question is. If it is to have certain facts which appear in the press verified, I will ask him not to pursue his point.

Mr. Hees: In view of the opposition building up against the application of Trans-Canada Pipe Lines Limited before the federal power commission in the United States, can the minister inform the house what chances he believes there are of the application being approved by the federal power commission before the target date of March 1?

Mr. Speaker: Now the hon. member is asking from the minister an opinion on a matter which is not within his own sphere of activities. How can he give an opinion to the house on what a board in the United States may do?

Mr. Hees: I am asking the minister if he believes that the application before the federal power commission will be passed. I am asking for his opinion.

Inquiries of the Ministry

Mr. Speaker: I do not want the minister to give it because it is seeking for an opinion. At this moment the purpose of question time is to seek information.

[*Later:*]

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Has the minister any information to give the house concerning the status of the application of Trans-Canada Pipe Lines Limited before the federal power commission?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, there is no application by Trans-Canada Pipe Lines Limited before the federal power commission and, as far as I know, there never will be such an application.

Mr. Hees: Mr. Speaker, may I ask a supplementary question of the Minister of Trade and Commerce. Has Trans-Canada Pipe Lines Limited made no application to the federal power commission of the United States for permission to sell power in the United States?

An hon. Member: Gas.

Mr. Hees: I mean to sell gas in the United States.

Mr. Howe (Port Arthur): Your statement is absolutely correct.

Mr. Knowles: May I ask a supplementary question? Will the minister give us any information he has regarding the status of the application of the Tennessee company to import gas into the United States from Canada?

Mr. Howe (Port Arthur): I am not greatly interested in that application. I have not been following the matter and I have no information to give.

[*Later:*]

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, might I ask the Minister of Trade and Commerce whether any organization has made application to the federal power commission in connection with the export of gas with which we are all familiar. If so, what is the name of the organization?

Mr. Howe (Port Arthur): Frankly, I do not know the name of the organization, Mr. Speaker. It is a subsidiary of Tennessee Gas Transmission. I shall endeavour to write and get the name of the organization and give it to my hon. friend.

Mr. Macdonnell: We are coming up; we are getting hot.

FISHERIES

REFERENCE TO LAMPREY EEL MENACE IN LAKE HURON

On the orders of the day:

Mr. A. E. Robinson (Bruce): I wish to direct a question to the Minister of Fisheries or, in his absence, I will direct it to his parliamentary assistant. Does the minister agree with the view expressed by Representative Henry Reuss, Wisconsin, in connection with combating the lamprey eel menace in lake Huron at the same time—

Mr. Speaker: Order. This is not a question that should be asked at this time.

LAMPREY EELS—REQUEST FOR APPROPRIATION TO COVER EXTERMINATION

On the orders of the day:

Mr. A. E. Robinson (Bruce): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Fisheries. Will the minister consider placing appropriations in the supplementary estimates to cover lamprey eel extermination work in lake Huron and Georgian bay this year?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, this is a question of policy which will have to be dealt with later. I would point out to the hon. member for Bruce that at the last session of this parliament legislation was passed setting up the great lakes fisheries commission. That legislation provided for six commissioners, three from Canada and three from the United States. The three Canadian commissioners have been appointed. As yet, the United States has not appointed its commissioners, so we have not yet received any scientific program from the commission; consequently, until that program is received, it would be almost impossible to make any answer to the hon. member.

NATIONAL DEFENCE

INQUIRY AS TO SHIPMENT OF 25-POUNDER AMMUNITION TO ISRAEL

On the orders of the day:

Mr. D. S. Harkness (Calgary North): I should like to direct a question to the Secretary of State for External Affairs. It refers back to an answer I received to a question asked on January 26. The question is this. Has the cabinet now considered the shipment

of some $30,000 worth of 25-pounder shells to Israel and has this shipment been authorized?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the question deals with a small order for about 1,750 25-pounder shells. As has been stated in the house this matter has been before the cabinet for consideration, whether they should be shipped to their destination, which is Israel. The decision which has been taken by cabinet is to suspend any action with regard to delivery of these shells pending conversations which are now going on in Washington between representatives of the French, British and United States governments with which we are in close contact as to policy in the Middle East.

WEST GERMANY—MAINTENANCE OF CANADIAN TROOPS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on Wednesday last the hon. member for Esquimalt-Saanich (Mr. Pearkes) asked whether I had been advised of any change in policy by the government of the federal republic of west Germany regarding that government's contribution toward the maintenance of Canadian troops in Europe.

The short answer to this question is that the government of the federal republic of west Germany has at no time contributed toward the maintenance of Canadian troops in that country. Canadian forces were not sent to Germany as occupying forces but as a part of Canada's contribution to the defence forces of the North Atlantic alliance. It has always been the government's policy to pay the cost of maintaining these forces. The only financial support that has been received from the government of the federal republic of west Germany has been in respect of capital expenditures such as the construction of barracks and airfields. The major construction program for the Canadian defence forces in Germany has now been mainly completed and no major additional projects are contemplated in the near future.

No official confirmation has been received of the reports appearing in the press to the effect that the German finance minister has stated that it is not the intention of the federal republic to continue to contribute to the financial support of such forces, and it is not clear from the present press reports whether the financial support extends to capital expenditures such as barracks and airfields which are, of course, of some interest to Canada.

Inquiries of the Ministry

EXERCISE "CRACKERJACK"—PARTICIPATION BY AUXILIARY PERSONNEL

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should like to answer the question asked by the hon. member for York West on February 9, as to whether Royal Canadian Air Force auxiliary squadrons or auxiliary personnel forces took part in the test of our northern defences in exercise "Crackerjack". The answer is no.

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a supplementary question to the Minister of National Defence. Will he inform the house why the R.C.A.F. auxiliary squadrons or personnel did not take part in the exercise referred to?

Mr. Campney: Yes, Mr. Speaker. This exercise was for the purpose of testing the air defence system. It was to be a surprise exercise and the alert extended for a period of three months. At any time in that period this system might be tested, and it was not practicable to keep the auxiliary air force standing by for three months.

LIVESTOCK

HOGS—ACTION OF AGRICULTURAL PRICES SUPPORT BOARD RESPECTING FLOOR PRICE

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct to the Minister of Agriculture a question arising out of the answers he tabled just a few minutes ago with respect to the floor price under hogs. What action does the agricultural prices support board take when they are notified by a producer that he has not been offered the floor price established under hogs?

Right Hon. J. G. Gardiner (Minister of Agriculture): They immediately discuss the matter with all parties concerned and make a report.

SHIPPING

REQUEST FOR INSTALLATION OF FOG ALARM AT HORSE ISLANDS, NEWFOUNDLAND

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport. In his absence, perhaps his parliamentary assistant can deal with it.

Has the minister received a request for the installation of a fog alarm at Horse Islands, Newfoundland? If so, what action has been taken on this request?

Grain

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, the hon. member was good enough to send me notice of his intention to ask this question, but unfortunately it reached me a few minutes before I left my office to come to the house at 2.30. I have therefore been unable to secure the information sought. I shall endeavour to answer the question tomorrow.

POSTAL SERVICE

REPORTED STATEMENT AS TO INCREASE IN DELIVERIES

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, will the Postmaster General confirm the recent statement of an official of his department that extension of post office delivery services can be expected in the not too distant future because of the surplus arising from the increase in the postage rates?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, I am sorry I have not seen the statement allegedly made by an officer of the department. If my hon. friend wishes to refer it to me I shall check it.

GRAIN

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

The house resumed, from Tuesday, February 14, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain, and the amendment thereto of Mr. Johnson (Kindersley).

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, toward the conclusion of my remarks last night, the Minister of Trade and Commerce (Mr. Howe) asked me where I got my figures. I might advise him today that I have never been as reckless in using figures as he has been in presenting figures to parliament. I have no apologies to make for the figures that I have given, except to make a correction in *Hansard*, which I shall make later on a question of privilege. It was an error by the *Hansard* reporter that might be excused.

In the few moments that are left to me to conclude my remarks I do hope that the Minister of Agriculture and any other hon. member will not misjudge the position the Conservative party is taking on this matter of loans to farmers of western Canada.

[Mr. Barnett.]

The Minister of Trade and Commerce (Mr. Howe) seems to be concerned about what our position is. For several years our leader has made that position clear. He has defined it clearly and emphasized it repeatedly. Our position is that we believe the farmers of western Canada who cannot sell their wheat to anyone else should have cash advances. That has been made clear, and I hope the House of Commons and the press of Canada will understand from here on that there is no equivocation in that regard. We are prepared to vote now for the amendment to send this legislation to the agriculture and colonization committee to review the situation; for even the Minister of Trade and Commerce must realize that this is not letter-perfect; that the farmers of western Canada are not satisfied. If none of the rest of them believes that, surely the hon. member for Rosthern (Mr. Tucker) must know that they are not entirely satisfied.

We believe that cash advances now would allow the government to withdraw the bill entirely. They would not need this bill at all with the cash advances to pay the loans already made, and the matter should be settled—

Mr. Speaker: Order. The hon. member is overlooking the fact that we are not dealing with cash advances. What we are dealing with is another matter altogether.

Mr. Rowe: Mr. Speaker, I shall follow your ruling no matter where it takes me, but with all due deference to you, cash advances is our policy in lieu of what the government proposes in this bill. We are prepared to send this bill to the agriculture and colonization committee. However, Mr. Speaker, if you prefer it I shall not pursue it except to say in conclusion that we are in a difficult position. As I mentioned last night, even the bread-and-butter twins are not altogether in agreement on their policies. The Minister of Trade and Commerce is seeking to sell wheat behind the iron curtain. The Minister of Agriculture is selling butter behind the iron curtain at a premium. Now he proposes, as reported in the Winnipeg *Free Press*, to trade wheat for immigrants. An hon. member asked whether it would be on a pound for pound basis. I hope they are weighty immigrants if it is. The Prime Minister says he has not heard anything about it. The Minister of Agriculture (Mr. Gardiner) says he discussed it with other cabinet ministers. If I was in your cabinet I would discuss it with your Prime Minister as quickly as I would with your Minister of Trade and Commerce.

Mr. Gardiner: Mr. Speaker, I did not say any such thing at any time.

Mr. Rowe: The Winnipeg *Free Press* report said you discussed it with Sir Anthony Eden and Sir Winston Churchill—

Mr. Gardiner: Then I do not agree with the Winnipeg *Free Press*.

Mr. Rowe: And it does not agree with you. The Minister of Agriculture said he discussed it with Sir Anthony Eden and also with Sir Winston Churchill when they were here—

Mr. Gardiner: No, sir, I did not say any such thing at any time.

Mr. Rowe: You are the most misquoted quoter in Canada. The press gallery must have a real problem in quoting you properly because you have been misquoted more times in the last 30 years in Canadian politics than any other hon. member of this house.

Mr. Gardiner: Mr. Speaker, if my hon. friend will permit me, I did make certain statements—

Mr. Rowe: I am sure you must have!

Mr. Gardiner: —to a reporter for the *Free Press* and the radio station phoned me up and asked me for a statement on it, and indicated just what my hon. friend is saying, and I told them definitely that I had not discussed trading wheat for immigrants with either of the ministers who were here from Britain.

Mr. Rowe: Mr. Speaker, this is a very strange thing, and I have to take the word of my hon. friend the Minister of Agriculture because I have followed his debating tactics in this house for so long that I would not even want to misquote him on any of his famous quotations. It is a strange thing, however, that the Winnipeg *Free Press* quotes how he discussed this with Selwyn Lloyd, Sir Anthony Eden and the Right Hon. Winston Churchill—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member has got even farther away from the principle of the bill. I did not want to give him the bad news I have in my hands while he was exchanging words with the Minister of Agriculture and I took into account the fact that there were interruptions and I do believe I reimbursed the hon. member for that time. Even with that I must come to the conclusion that the hon. gentleman has exhausted his time.

An hon. Member: He is all washed up.

Mr. Speaker: Now, if the hon. member wishes to conclude very briefly I think the house will allow him to do so.

Some hon. Members: No, no.

Mr. Gardiner: He has had a lot of time.

Mr. Rowe: I do not want to infringe on the courtesy and privileges of the house. Between your interruptions and the interruptions of the Minister of Agriculture I presume my time is exhausted.

Mr. Speaker: I am not going to let that inference remain on the record. Just before I called the orders of the day the hon. member sent me a note to ask me precisely how much time he had left and I sent him the note I received from the Clerk. The hon. member knew at the time he began speaking that he had only four minutes left at his disposal—

Mr. Rowe: And I just used five and you interrupted me for one.

Mr. Speaker: The hon. member knew from the note he received that he commenced speaking at 3.08 and his time would expire at 3.12. It is now 3.15 and I leave it to hon. members to decide for themselves whether I have made allowance for the time I have taken and the time consumed by the minister in interrupting him.

Some hon. Members: Hear, hear.

Mr. Rowe: Mr. Speaker, I rise on a point of privilege.

Mr. Speaker: Order. May I suggest if the hon. member wants to rise now to correct *Hansard* that it is not the proper time to do so—

An hon. Member: That is it.

Mr. Speaker: —the time to do so is just before the orders of the day are called. I recognize the hon. member for Humboldt-Melfort.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I have already spoken once during the resolution stage of this question and regardless of what stage it is at I feel that after the events that have taken place—

Mr. Speaker: Order.

Mr. Bryson: —and the comments of the Minister of Trade and Commerce I possibly owe him an apology for rising at this stage. I apologize for my audacity. When I recall, of course, that the minister has risen and made approximately five speeches to date dealing with this question, that fact does temper my feeling of guilt to some extent.

I believe that yesterday the minister got up and said he felt the debate was starting to degenerate and I was a little puzzled as to what he had in mind, but when we had three Liberal speakers from Saskatchewan rise immediately after the minister concluded

his remarks I am sure that all of us agree the minister's fears were well founded.

When I recall the great many accusations and threats the minister has made because hon. members of the opposition have attempted in an extremely modest way to exercise and discharge their duties as opposition members in this house, when I recall that we had been accused of being obstructionists—

An hon. Member: You are.

Mr. Bryson: —who are purposely obstructing the passage of this legislation, I cannot help but wonder just what value the Minister of Trade and Commerce places on democratic procedures and on freedom. I confess the only conclusion I can arrive at is that possibly the only concern the minister has or the only interest in freedom he has is, as someone said, if I might paraphrase it "the pursuit of other people's freedom".

I am sure that the continuation of this debate has been more than worth while in spite of the criticisms levelled at us by the minister, because in criticizing this measure and by keeping this debate going I think it is pretty obvious that we have shown to the Conservative party and the Social Credit party the folly of their original decision in going along with this legislation. I am glad that because of our efforts to keep this debate going they are now to make an opposite decision. I am glad they see they made a mistake in the first instance; and, who knows, if this debate is carried on we may even have a reconsideration of the legislation from the government side. Therefore I think the fact that we have carried on the debate until today has had merit.

I am sure, too, that the Minister of Trade and Commerce failed completely in his attempt to intimidate anyone on this side of the house. I am also convinced that he failed equally in the effort he put forth by shedding buckets full of crocodile tears which he spilled all over the house in an effort to convince us that the banks were going to suffer because we were opposed to this piece of legislation. I do not think he fooled anyone on this side of the house and I do not think he fooled anyone in the country.

I should like now to quote from an editorial which appeared in the *Star-Phoenix* following the remarks made in this connection by the Minister of Trade and Commerce. The *Star-Phoenix* cannot by any stretch of the imagination be referred to as being notorious for its allegiance to the C.C.F. party:

The Right Hon. C. D. Howe—

Mr. Speaker: Order. If the article in question reflects upon anything said by an hon. member in this house it cannot be read in debate. I have had occasion to quote the citation that refers to that on many occasions and I referred to it at great length in a statement I had printed in the *Votes and Proceedings* with the approval of the house not very long ago on the question of reading of speeches. I am trying to put my finger on the citation at the moment that refers to the question. If hon members will just be patient with me, I am getting a great deal of assistance from my associates. There is further confirmation that the rule does exist since so many hon. members know about it. Citation 265 reads:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

Mr. Bryson: Mr. Speaker, I accept your ruling whatever it may be, but I should like to say that the article to which I referred goes on to say that they doubted if anyone in Canada was worried about the intimidating remarks which had been made to opposition members in the House of Commons, and that if the minister had tried to bluff anyone his bluff could very well be called. I think that points up the thinking of most people who are any way concerned.

I am sure that if there had been any danger that this milk and water legislation would be defeated during this session the government would have called a session of parliament last fall. I do not think anyone has been too much impressed by the minister's tactics. As a matter of fact I do not think even the bankers were unduly concerned as to whether this legislation passed or not, because at a meeting in Saskatoon several bankers were present as well as many officials of agricultural organizations, and business people. That meeting was held some weeks ago and one of the bankers was asked for his opinion and he told the meeting that if a farmer could not get a bank loan under ordinary circumstances with his credit rating he was not likely to get one under the government plan.

I think that is fairly significant of the attitude the banks have taken. Another matter in which we are going a little bit offside is that too many people think that $1,500 is involved in these loans. The bankers are not going to take any chances in connection with the security for the loans they make. This banker went on to say that the applicant would have to list all his debts, including chattel mortgages, and disclose his net worth. The items to be disclosed would be whether

or not his land taxes were unpaid. If so, the applicant would have to obtain a clearance. Some of the municipalities are allowing exemptions of from $1.50 to $2.50 per acre. The banker summed it all up by saying that all this information would have to be given to become eligible for a loan of something less than $100.

I do not think the bankers are unduly concerned about these loans at all in so far as getting this legislation through the house is concerned.

I should like to deal for one moment with another matter which I think has been overlooked. A great many speakers on the government side of the house as well as the right hon. Minister of Trade and Commerce (Mr. Howe) have tried to get the idea across that it is the small farmer who is going to be assisted by this legislation. I do not know what is the minister's interpretation of "small farmer", but I think it would be fair to say that anyone farming less than three-quarters of a section could be considered a comparatively small operator in the prairies provinces. As I say, it has been argued that it is that type of farmer who is going to benefit under this legislation.

This whole question came up at a meeting in Saskatoon where farm union officials gathered to discuss this whole question, and some very revealing figures came out which I should like to quote. It was stated that a quarter section farmer with 155 acres under cultivation would be able to deliver 1,085 bushels of wheat. Based on a 7-bushel quota the value of that wheat as No. 2 would be $1.18 per bushel at the local elevator, or a total of $1,280. Assuming a loan on the basis of 50 per cent would give you $640. But the value of 300 bushels already delivered would be $354, and 320 bushels under an additional 2-bushel quota would be $365. When those amounts are deducted you have a maximum loan of $21. This is one of the farmers the Minister of Trade and Commerce says he is really concerned about, says he is really going to help. That takes care of the quarter section farmer.

What about the half section farmer?

Mr. Speaker: I do not want to appear too restrictive but citation 265 which I read a moment ago applies to newspapers, letters and communications emanating from persons outside the house. The hon. member should not import opinions on this bill which have been expressed outside. An hon. member must speak in his own words, express his own views, and not carry on the debate by proxy. I will read the citation again, which is as follows:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

That restricts very seriously what an hon. member may say. An hon. member should express his own opinions in his own words. There is a temptation for an hon. member to read a letter he may have received or a resolution which has been adopted by an association of some kind and one in my position feels that he should not stand up too often to intervene. But it is the hon. member who does not break the rules who must suffer when this is done by other hon. members.

Mr. Bryson: The only reason I was quoting these figures was to discredit the argument of the minister who is trying to sell this legislation to the house on the basis that it is going to benefit the small farmer. I am simply trying to prove that it is not going to benefit the small farmer. I am using these figures to counter the argument put forward by the minister.

Mr. Speaker: I understand the hon. member's position. If he were before a court of law pleading a case he could submit evidence and it would be all right, but we are debating a matter and he must express his own views by virtue of rules which were adopted long before I ever came to this house. I do hope that he will observe those rules.

Mr. Bryson: I shall refrain from reading anything further. I could have made up figures of my own had I thought that you would object to what I am trying to do now.

Mr. Coldwell: May I rise to clarify the point of order. Perhaps I did not quite get the point, but am I to understand that the objection is to the hon. member quoting figures which had been given in a publication?

Mr. Speaker: I understand that the hon. member is quoting from an analysis which was made of this legislation in a publication put out by an association of farmers, first dealing with the one-quarter section farmer and then with another category. If a chamber of commerce, for instance, would analyse the bill which is before the house and would sort of refute some of the remarks made by the minister in introducing his legislation, and if the member would import that argumentation into this house and quote from it, he would certainly be violating citation 265, because he would be reading from a communication emanating from persons outside the house referring to, commenting on or denying something said by a member in this house. In other words, the chamber

of commerce or the association the hon. member referred to are not members of the house. In the words of a former prime minister, Right Hon. R. B. Bennett, when he was in this house, whenever a member quotes a newspaper or someone who has spoken outside the house on the subject that is under debate, he is introducing a two hundred and sixty-sixth member into this house.

Mr. Coldwell: Yes, I understand that, but the point I was getting at is this. Is the hon. member precluded from quoting these figures, provided that he puts them before the house as his figures and does not refer to the authority that produced the figures? It seems to me that he could do that without infringing upon the rule. I quite agree that lengthy quotations, and so on, are not compatible—

Mr. Speaker: The hon. member for Rosetown-Biggar is quite right, providing the hon. member does not give the credit to the association that has produced the figures. If he wants to incorporate them as being his own and take full responsibility for them, then I have nothing to say. He is using his own words.

Mr. Harris: He has already done that, unfortunately; he has already cited his authority.

Mr. Bryson: The figures I was quoting were not the compilation of figures made up after the legislation was introduced. This was a survey that was made in anticipation of what the legislation, if and when it appeared, was going to do. So I shall refrain from reading from that particular article. I have other figures I shall use, and I shall accept responsibility for them.

I pointed out what this legislation is going to do for the quarter-section farmer. He is not going to be able to borrow any money. As a matter of fact, he has $21 too much to start with. In the case of the half-section farmer, his maximum borrowing power would be $1,280, but if he had deliveries of 300 bushels under the initial quota he would then be eligible for a loan not exceeding $194.70. Again, this is the type of farmer the Minister of Trade and Commerce is so much concerned about. He is going to suffer if this legislation does not pass post-haste. Now let us turn to the three-quarter-section farmer, and I feel that is the ceiling when we are speaking about small holdings. We find that he is in an even worse position than the other two. Because of added expenses and his capital investment, he of necessity would need to get a considerably greater amount than either of the two I mentioned earlier, but under this legislation this farmer will receive only $84. When we consider that all of the grain we have been able to market on the prairies to date represents a complete and dismal crop failure, anything a farmer has been able to deliver above 15 bushels an acre he can consider a little better than a complete crop failure. So it is not hard to point out that this legislation, in so far as helping the small prairie producer is concerned, falls far short of anything that he had expected.

Now I should like to deal for a moment with another aspect of this legislation, and here, I feel, is the nub of the whole question. I believe that the best arguments as to why this legislation should not be passed are to be found in the very arguments put up by the government as to why it should be passed.

I should like to deal with that aspect for a few moments. I hope you will not rule me out of order, Mr. Speaker, when I quote the minister himself in this connection. The Minister of Trade and Commerce, speaking in this debate, had this to say, as recorded on page 602 of *Hansard*:

> The present legislation is designed to deal with a different problem, a problem which arises from the superabundant production of grain on the prairies during recent years.

Then he goes on to quote figures to prove that there has been superabundant production. He gives figures showing that in the years 1947 to 1950 the average yearly production on the prairies was 361 million bushels, in that five-year period. He then points out that in the last five years, from 1951 to the present time, production has averaged 515 million bushels. In other words, the average production increased during those five years by 154 million bushels. Further on he said that we have had increased marketing as well. He went on to quote figures showing that in the five-year period prior to 1951 the average marketings were 223 million bushels per year, and from 1951 to the present time he said our marketings have averaged 312 million bushels per year. In other words, the average yearly marketings during the past five years have been 89 million bushels greater per year than in the previous five years.

What exactly is the minister saying? I think it is quite an amazing revelation, because in effect this is what the minister is saying. Farmers will become bankrupts when (a) they produce better than average crops, (b) they are able to market better than average marketings. This is an amazing statement. If there was ever a greater indictment of the agricultural policies of this government, I have never heard it. I think it is a serious matter when we have the

Minister of Trade and Commerce saying that farmers are in a very difficult economic position because they have grown and marketed too much grain. He admits there is a serious situation; otherwise we would not be dealing with this piece of legislation at the moment.

I am not disputing his figures. I am not disputing the fact that we have had the equivalent of five very large crops in 3 years, but it is very serious that in the face of that the farmers' economic position is steadily but surely deteriorating. I do not know why the government does not face up to the realities of the situation, because after all it is an entirely different matter, to say we are producing more and we are marketing more than it is to say the farmers' net position is such and such.

What is the farmers' actual economic position? I should like to quote figures published by the research section of the Department of Agriculture. For the year 1953 the cash income—not the net income, because we are unable to get the net figures—of prairie farmers was $1,448,749,000, but in 1955 the cash income of prairie farmers had fallen to $961,518,000, a drop of $487,231,000 in two years.

Yesterday I received a publication from the dominion bureau of statistics which verified the figures I have quoted. It is a serious matter when in two years you have a drop in the farmer's cash income of 66·5 per cent. In addition to that, in the same period, costs have risen by 66 per cent. It is difficult to say what the farmer's net position would be if we had those figures. I am amazed at the statement made by the Minister of Agriculture (Mr. Gardiner), although in some respects I am not because we have known him to do things like this before in order to prove a point. I am sure that if the story were made known to Liberal members opposite they would take a different view of their position. In order to suppress any fears some Liberal members might have as to what the exact position of the western farmer is, he quoted precisely the same figures as the Minister of Trade and Commerce (Mr. Howe) quoted in this house to prove that the farmer has never been as well off in his life before. In order to spike it, he quotes the pool. I refer to *Hansard* of February 10. After he had quoted all of those figures on incomes of all kinds to show that the farmer has so much money he does not know what to do with it, then he has this to say for the benefit of the members of the government as reported at page 1060 of *Hansard* of that date:

> **And so, as the wheat pool says in Regina there has not been any going down of farm income on farms in general across Canada; the farm income has been higher year by year.**

I think that is a serious accusation in the face of the figures produced by the minister's own department. The three prairie pools have completely repudiated the minister in this respect. Recently they published a memorandum indicating that the income of Canadian farmers had dropped for the third successive year. They go on to say that all across Canada farm income has dropped by some 2·1 per cent, but in the prairie provinces this drop has been to the extent of nearly 28 per cent. It is obvious that in trying to make a case for this legislation the government is using every method at their disposal to discourage any fears that might arise in the minds of their own supporters.

I should like to deal for a moment with some of the other arguments, some of the other alibis that have been used by the Minister of Trade and Commerce as to why we should support this milk and water legislation. I am not going to delay the house with a long dissertation on parity prices or cash advances, but I should like to say this. There was a great deal of misinformation given to the house when we were discussing cash advances. It was said that could not be done; it was not feasible. In order to support his argument against cash advances, the minister went to some length to cite the United States support program as it applied to cash advances on farm-stored grain. He said that the government of the United States would not accept ownership of the grain until it was stored in government storage. Well, of course, that is completely fantastic. They do nothing of the kind. They pay the farmer up to a certain percentage on grain stored in government approved storage on the farm. All these arguments are nothing but red herrings drawn across the trail in an attempt to prove this cash advance proposition is completely unworkable.

It seems to me, Mr. Speaker, that we are still going to be faced with an acute economic problem on the prairies regardless of whether or not this legislation is passed. I would even go farther and say that even if this legislation were going to help or even if bank loans were rejected and cash advances were made, it would still not solve the agriculture crisis which we have been facing in western Canada for a good many years and which we will be facing for a good many years to come. This crisis will not be solved unless this government is prepared to completely overhaul its agriculture policy. Cash advances, bank loans, all of these things are only bits and pieces and by themselves mean absolutely nothing in so far as stabilizing agriculture is concerned. Only when all of these things

are welded together in a comprehensive agriculture policy will these bits and pieces really mean anything. I am convinced that in the very near future the government will be forced to undertake the implementation of a complete agriculture policy to stabilize the farm industry in this country. I might say also that one of the planks of that policy will be the acceptance of the principle of cash advances on farm-stored grain without interest and administered through the wheat board.

Before I move on, I should like to mention the argument that those who are opposing bank loans are in effect trying to undermine the wheat board. I am very much surprised that the government is making such a case for the wheat board. If they were as interested in the maintenance of the wheat board as they are trying to make out, why do they not put that board on a permanent basis? Why do they not put all grains grown in western Canada under the wheat board? If they would do that, then they would be proving that they are interested in the wheat board. We would not have today the spectacle out in southern Manitoba of United States farmers coming across the border, without any restrictions, and delivering flax into the elevators or loading it into box cars that are badly needed for grain grown in that area. Now, that is the situation we have today because the government has not seen fit to place flax and rye under the jurisdiction of the wheat board. I think it is a deplorable situation when box cars are so scarce and elevator space is so badly needed.

So, Mr. Speaker, I would just conclude by saying that this legislation is not going to benefit the people the Minister of Trade and Commerce is telling us it is intended to help. It is not going to help anyone. It did not do the job before and it will not do the job now. It is wrong in principle. It is wrong in practice, and for that reason we cannot accept it.

Mr. Victor Quelch (Acadia): I did speak a couple of times at the resolution stage, but on both occasions I spoke for less than half an hour and therefore I make no apology for speaking at this time. I rise mainly for the purpose of clarifying the stand of this group on this bill and on the amendment.

Whilst the question of advances against grain held on the farm is an important one, it is not the farmers' No. 1 headache today. The No. 1 headache from which the farmers are suffering today is the fact that they are in a price-cost squeeze. Lack of advances to farmers in many cases merely aggravates that situation. It does so in varying degrees. In so far as the farmer who is in a fairly strong position is concerned, it is merely an inconvenience. Unfortunately there are not many farmers in that happy position. The majority of the farmers have no large reserves upon which to fall back. It is not merely the small farmer who is handicapped. There are today many large farmers with large holdings of land who have heavy obligations, who are in the process of paying for machinery and for their land. Even though they are large farmers, these farmers today are suffering under a severe handicap.

I would say that the failure of the government to take action today to halt the fall in farm income and the failure to support farm prices at an adequate level constitutes a flagrant breach of faith with the farmers of this country. It is breaking a definite pledge that was made by the government in the latter years of the war; it was a pledge that was made by the prime minister of this country to the people of Canada. I think the farmers of this country have the right to expect something better than that from this government when the pledge was made by the prime minister at that time. The pledge was in words to this effect: In view of the fact that the farmers during the latter years of the war were having to take for their commodities prices that were less than the world market price, the government would after the war stabilize farm prices to compensate them for that loss. On wheat alone that loss amounted to half a billion dollars. If you take into consideration the losses as a result of selling all farm produce at less than world market prices in the latter years of the war and in the early post-war years, there would be several more hundreds of millions of dollars to add to that loss of $500 million. I therefore say that the failure of the government today to maintain farm prices at a level that bears a fair relationship to the price of other commodities constitutes a flagrant breach of faith having regard to the promise they made to the farmers in the latter years of the war.

It is no wonder that some time ago we heard that farmers in Saskatchewan had suggested that, if there was another war, they might not be quite so co-operative with the government as they had been in the last war. You cannot blame them for feeling that way. Time and again when I travelled in my constituency and when I was explaining to the farmers the British wheat agreement and other agreements and the fact that they were taking at that time less than they could have obtained if it had not been for government policy, I explained to them that the government had given a pledge that they would stabilize prices after the war, that they would support prices after the war. When I told them that,

many farmers said, "Do you think we can trust the government?" I said, "Yes; in this case I think you can; I think the government will stand by their promise". It is not a very happy situation in which I find myself when I am obliged to go back and face those farmers when they ask, "Do you still believe that the government are going to stand by their promise?" The government cannot expect me to defend them in that regard.

The government at the present time is showing little concern over the plight of the farmers. They apparently realize that the farmers are short of money. I think the government realizes that fact quite well and I think the Liberal members on the other side of the house realize it. But the strange thing is this. Instead of taking action to support the farmers, to help them, what do they do? They support the money lenders to help the farmers go further into debt. Practically all the legislation that is being brought down at the present time is designed not to support the farmers but to support the money lenders, to guarantee them against losses. The government bring down a farm loan bill to expand the amount of capital, to expand the amount of money that may be lent to farmers. It almost looks as though some people are rejoicing in the fact that at last the farmers are in a position where they will have to borrow more money.

It is true that during the war and in the early years after the war the farmers were able to pay off many of their mortgages. That fact was quoted time and again as proof of the fact that the farmers were doing well. But in the five years from 1948 to 1952, farm debt increased by 25 per cent. If farm debt increased by 25 per cent from 1948 to 1952, what has happened from 1952 to 1955? I am satisfied that farm debt has increased even more in that period of time. What has the government done to help that situation? It merely guarantees the banks. If the banks make loans to the farmers, the government will guarantee them against loss. Is it not about time the government started to guarantee the farmers instead of the financial institutions that are making these loans?

What is the situation with regard to the banks? After all, this is a bank bill. Would the Minister of Finance (Mr. Harris) suggest that the banks are in fairly bad shape today, that their reserves are disappearing and that their profits are falling? I think the Minister of Finance will agree that the banks are in an extremely healthy condition today and that they have substantial profits. Their reserves have been steadily expanding ever since the end of the war. Not only is that true of their general reserves but in addition to their general reserves they have a secret reserve and they do not pay any income tax on that inner reserve. I would suggest to the Minister of Finance that if the farmers were treated in that same way, were put in that preferred position, and were allowed to establish a secret reserve so that when their assets started to fall they could use that secret reserve to make up the losses of assets, and with no income tax charged them on that reserve, they probably would have been in a position today to meet their losses and to make up the loss of income resulting from the low prices today.

I do not know who drafted this bill. I should imagine that bankers drafted it because it is weighted so heavily in favour of the banks. The Minister of Finance shakes his head, but certainly I cannot imagine even bankers drafting a bill more advantageous to themselves than is this one. It is hedged with penalties from beginning to end. It is well to remember that the banks today are the only institutions in Canada that are in the preferred position of being able to monetize somebody else's wealth and then lend the proceeds to somebody at interest. That is a highly profitable business. But nobody else is in that happy position. I suggest that the farmers are in far greater need of assistance or support from the government than are the banks of this country. The government should attack vigorously the cause of the farmers' shortage of money which is, to a large extent, low prices.

At this point perhaps it is well to remind the house that this legislation is largely for the purpose of dealing with the question of wheat. What is the price of wheat today? The price of wheat today is just about half of parity price and by parity price I mean a price that bears a fair relationship to the price of other commodities. According to the dominion bureau of statistics, if the price of wheat today bore the same relationship to the price of other commodities as that which existed in the three base years used by the Agricultural Prices Support Act, namely 1943, 1944 and 1945, the price of wheat today would be $2.27 a bushel. What price are the farmers receiving? By the time you knock off freight charges, few farmers are getting more than about $1.25 a bushel under the initial payment.

I want to refer to the point that some hon. members have made. They have said, "You supported the bill at the resolution stage. We presume you are supporting the bill at this stage, in order to be consistent". May I say that we supported the resolution at the resolution stage after having bitterly criticized the measure. We voted in favour of the

resolution for the one purpose of allowing the government to bring in the bill. That is the purpose of the resolution. The bill is before us at the present time. Let me frankly admit there are many features of this bill, which we have now seen for the first time, which we heartily dislike. We dislike the section regarding penalties; we dislike the section regarding interest; and we dislike the section regarding storage, especially the section regarding storage. I cannot imagine why that section was ever put in the bill.

I am not permitted at this time to deal with any of those points, therefore I should like the minister—I see he is not in his seat; perhaps the Minister of Finance can give us assurance on this point—I should like the government to announce their intention to refer this bill to the standing committee on agriculture as soon as it receives second reading. Is the Minister of Finance prepared to say that when this bill receives second reading the government will be prepared to refer it to the standing committee on agriculture so that it may call representatives from the various farm organizations to find out at first hand what these farm organizations really think about this bill?

We have heard hon. members from all sides of the house give different interpretations of how the farmers really feel about this matter. I suggest that instead of having to get this secondhand, we should get it firsthand. Let us refer this bill—

Mr. Harris: If my hon. friend would permit me to answer his question, the answer is no.

Mr. Quelch: I thought that is what the government would say, and I am sorry to hear it, because it does not look as though the government really wants to get the advice of farm organizations on this matter. They do not really want to find out what the farm organizations think about this matter. It would be much easier for them to misquote the farm organizations at this time and try to give the impression that they are strongly in favour of loans at 5 per cent interest. I doubt very much whether there is any farmer in favour of that. They want advances.

If the government were prepared to send this bill to the agriculture committee upon second reading we would support the second reading; but if the government are not going to allow this bill to be sent to the agriculture committee, then they leave us no alternative but to support the C.C.F. amendment to refer the subject matter of the bill to the agriculture committee.

Mr. Argue: Another conversion.

Mr. Quelch: It is not a question of conversion; it is a question of analysing the bill before us and realizing that it does not meet the situation. At the resolution stage we had no bill; we had no details; we just had a resolution. We wanted to see the bill, and therefore we voted in favour of letting the bill be introduced in order to have the bill brought before the house. We do not like the bill; we do not like the way it deals with penalties, with interest and with the question of storage.

Mr. Argue: How are you going to vote on second reading?

Mr. Quelch: Very definitely against second reading and in support of the amendment, in view of the minister's answer. We would have been prepared to support second reading provided that the government had been willing to allow the bill to go before the agriculture committee, but apparently the government does not want the farm organizations of this country to have the opportunity to tell the members of this parliament what they really feel about the bill. In other words, I smell a rat.

Mr. Argue: One hundred and seventy of them.

Mr. Quelch: Mr. Speaker, I was not really making that allusion.

Mr. Argue: We will withdraw it.

Mr. Knowles: The bill is still odoriferous.

Mr. Quelch: In dealing with the matter at the resolution stage the Minister of Trade and Commerce stated that this measure was the same as the resolution submitted by the western conference to the government on October 11, 1955. I do not know how the minister could possibly come to that conclusion. He did not merely say it is the same, he said "exactly the same". Perhaps I had better quote his words. The hon. member for Bow River (Mr. Johnston) quoted the resolution and then the Minister of Trade and Commerce said: "That is exactly what we did". How he could possibly say that this bill is exactly what the western conference asked for I do not know. Just take the amount of the loan, $1,500. That is the limit of the loan. What was the limit asked for in the resolution of the western conference? They asked for an advance up to 50 per cent of the normal delivery. What would be the normal delivery? We might say 8 bushels to the acre. That was the amount of the quota last year, so we might say the normal delivery might be about 8 bushels to the acre. Just how would that work out, and what amount of loan would it provide? It all depends on the size of the farm, of course.

Mr. Howe (Port Arthur): May I ask my hon. friend a question?

Mr. Quelch: Yes.

Mr. Howe (Port Arthur): Has he any complaints from the big farmers about their inability to borrow money on their wheat?

Mr. Quelch: I did not get the question.

Mr. Howe (Port Arthur): I asked the hon. member whether he had heard any complaints from farmers farming a section or more of land about their inability to borrow from the banks without guarantees?

Mr. Quelch: It all depends on the circumstances of the farmer. If a farmer is farming one or two sections and is buying that land on crop-share payments he is having one heck of a time to borrow money. It all depends on the circumstances; it all depends on the size of the farm. As I mentioned a while ago, it all depends on the financial standing of the farmer and how great reserves he has. That would determine whether or not the banks would lend him money and, of course, the character of the man. As I pointed out, there are many large farmers today who are in the unfortunate position of trying to pay for machinery and land, and they are having a great deal of difficulty. Take the size of the farm. Let us take what might be called an efficient unit. Professor Hope said that the most efficient unit to farm was two sections. An average man with the aid of a full line of machinery can handle two sections of fairly good land, but if you are farming gumbo land a section of land could use practically the same machinery as two sections of average land. Let us say that the amount of cultivated land would be 600 acres. Well, if a man had 600 acres, then 50 per cent of that, at 8 bushels to the acre, would amount to 2,400 bushels. The initial price of $1.25—that is about what the farmer would get—would give him $3,000. Therefore, taking that as the efficient unit of land, under the recommendation of the western farm unions, the amount of the advance would be about $3,000 instead of $1,500 provided in this bill.

So far as interest is concerned, while interest was not mentioned, the resolution referred to advances. There is no doubt that many of those representatives were talking about interest-free advances. However, some talked about a loan, really, rather than an advance, at a certain rate of interest, and apparently different rates of interest were mentioned. But I do not think anybody mentioned a rate of interest as high as 5 per cent. Three per cent was mentioned. In view of the fact that the wheat board borrows money at 3 per cent, I cannot see why farmers—guaranteed by the government—have to pay 5 per cent.

The minister sometimes seems to think that 5 per cent is the normal rate of interest. There are many institutions borrowing money today at less than 5 per cent. Some of them are borrowing it at 3 per cent. When the loan is guaranteed by the government the banks certainly should be able to make loans at 3 per cent, even if for no other reason than to perform a public service. Therefore, the bill falls far short of the request made by the western conference, both in regard to the amount of the loan and the rate of interest.

The minister said that he cannot withdraw this bill; that if he withdrew it he would not be able to introduce another one this session. Of course, that all depends upon the bill. If he withdrew this bill, which is a loan bill, and introduced a bill to make payments to the farmers on wheat on the farm, he could no doubt introduce it because it would be another type of bill entirely. That is the type of bill the farmers want. They do not want loans, they want payments on the wheat in storage on the farms and if the government introduced a bill of that kind it would receive the wholehearted support of all the members on this side and I believe of all the farm organizations. If the government is not prepared to do that and is not prepared to refer this bill to the agricultural committee so the farm organizations may be called together to send representatives down here and tell us just what they think about the bill, the only alternative we have left is to support the C.C.F. amendment to send the subject matter of this bill to the agricultural committee and then we would have to vote against the bill as it is upon second reading.

Mr. Donald M. Fleming (Eglinton): This is the first time that I have participated in this debate at its various stages. I do so because I regard the problem which confronts the wheat growers of western Canada as a problem that is national in its effects and as one in which the principle of government responsibility is directly involved.

The western wheat farmer has one marketing agency and one only. It is a government monopoly and the responsibility of the government in the face of the kind of situation that exists today in western Canada is therefore inescapable.

At this point, sir, may I say a word by way of review of the situation and concerning what it seems to me is the issue involved at this time. The government brought forward two resolutions both of which were

favourably reported by the committee of the whole. The first provided for the introduction of the bill that is now under debate, Bill No. 82, which was debated in committee for several days. The other resolution which was passed after only a cursory debate paved the way for the introduction of Bill No. 83.

The question has been raised about the position of parties in this house on these measures and in relation to the problem of the marketing of the wheat surplus in general. I wish to state briefly, and I trust succinctly, the position that we of the official opposition have taken in our approach to this problem.

First of all, we supported the resolution at that stage because, of course, as was stated then by our leader, we wished to see the measure advanced and no matter how far short it fell from our conception of what is needed in the way of policy and legislation to meet the problem we were not prepared to deny to the wheat farmer of the west anything that might offer even some slight advantage to him, so great is his need of cash at the present time.

When this bill was called for second reading yesterday we sought to express our views and our policy in regard to it in an amendment which, although it was ruled out of order, I just wish to mention in this connection. It reads:

> That Bill No. 82 be not now read the second time, but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation which will provide for cash payments on farm-stored grain.

Mr. Speaker ruled that amendment out of order, but the amendment stands as the expression of the view of this party as to the proper policy to be followed. In other words, it is a policy of cash advances on farm-stored grain. That is the position which this party has consistently taken in relation to this problem, and the gyrations and distortions which fell from the hon. member for Rosthern (Mr. Tucker) yesterday in regard to what is meant by cash advances will not change the fact or the policy.

The use of the expression "cash advances" has never signified the payment of interest. The hon. member yesterday brought in a weird suggestion that the use of the word "advance" connotes a loan on which interest will be paid. I do not think so weird a suggestion deserves even to have time spent upon it.

The position of this party has been made abundantly clear, for all who wish to understand it clearly, by the leader of this party when he said there was no thought whatever

of the imposition of interest on any payment that should be made to a farmer on account of farm-stored grain. That is the position this party has taken consistently. It is the position this party has taken for years in relation to this whole subject. It was enunciated by my leader in this house in debate in December 1952, and that was not the first time it had been put forward. Consistently we have advocated the policy of cash advances against farm-stored grain and that is still our policy.

Mr. Deputy Speaker: Order. The hon. member introduced his remarks on this subject by referring to the amendment which had been ruled out of order yesterday. He has continued at some length along this line and I am just asking myself whether he is in order in doing so. May I draw his attention to citation 245, which reads in part as follows:

> It is a wholesome restraint upon members that they cannot revive a debate already concluded . . .

There was some discussion of this matter yesterday and the amendment was ruled out of order. Therefore I should think that the hon. member should refrain from reviving that part of the debate.

Mr. Fleming: Sir, I was not discussing the amendment but I was discussing the policy, and the policy is necessarily relevant to the debate on second reading of this bill because it is the proper alternative to the kind of policy that is embodied in the bill. The fact that the amendment was ruled out of order does not preclude a proper discussion of policy in relation to the problem that this bill seeks—

Mr. Harris: Which policy has already been rejected by the house.

Mr. Fleming: No.

Mr. Harris: Oh, quite.

Mr. Fleming: No sir, the policy has not been rejected by the house. The amendment was ruled out of order and the minister went on yesterday after that at page 1177—

Mr. Deputy Speaker: Order. One of the reasons, as I understand it, that Mr. Speaker ruled the amendment out of order was that the house expressed its opinion on that very point on a previous amendment and therefore I do not see that the hon. gentleman is on sound ground.

Mr. Fleming: Mr. Speaker, I had not intended to prolong that part of my remarks, but I do wish to state that at page 1177 of yesterday's *Hansard*, after this matter had

been dealt with by Mr. Speaker, the Minister of Trade and Commerce took it upon himself to say:

> We all know that the Conservative party has no policy.

An hon. Member: That is right.

Mr. Fleming: I am stating that the policy of the Conservative party has been and is the policy of cash advances on farm-stored grain. We sought to give expression to that policy in the amendment yesterday. The amendment was ruled out of order, and I regret that the house did not have an opportunity to deal specifically with that policy.

On the other hand, what does the bill provide for? It proposes to empower the government to guarantee loans up to $1,500 in each case made by banks to farmers as against grain, such loans to bear interest at the rate of 5 per cent. The minister says that since the banks embarked upon these loans several months ago on the strength of a promise by the government to ask parliament to pass legislation such as we understand to be embodied in Bill 82, about 8,000 loans have been made. We are told that this bill to provide for government guarantees on individual loans and the associated measure to provide for payment by the government of storage charges on wheat are all the government proposes to do. This is the sum total of the government's legislative program in answer to this problem.

What then is the principle of this bill? On the resolution stage we said, and we say it now with emphasis, that we deplore the utter inadequacy of the government's program to meet the need. An inadequacy so patent has been accompanied on the part of the government by taunts and expressions of contempt for parliament; the use by the Minister of Trade and Commerce of such expressions as "bunkum" applied to serious arguments put forward by opposition members who spoke with responsibility and a knowledge of the feelings of western Canada.

It is quite obvious that the western wheat farmer sought justice. He did not come on bended knee. What he sought was a proper loaf; but, as has been said on behalf of this party from the outset, it is quite clear that this measure is not even half a loaf. In relation to the need of the kind of policy I have described, it is at best not more than a crust.

There are times when a vote in the house on an issue when taken alone and apart from statements which precede it is not an adequate expression of the feelings of a party on that issue. We of the official opposition desire to express our indignation at the utter inadequacy of this measure to meet the need. At the same time we have no wish, in the face of the patent inadequacy of the government's program, to deny to the necessitous wheat farmers of western Canada even the paltry crust which this measure offers to 8,000 of them. We have considered ourselves as being under an obligation as a party to make every determined effort to obtain for the western wheat farmers something adequate, something much better than this inadequate measure. If a proper policy of cash advances, such as has been advocated, were adopted it would be a simple matter to take care of the 8,000 loans which have been made by the banks in western Canada in anticipation of the enactment of such a bill as this. The farmers would then be in position to repay those loans to the banks out of the cash advances.

Not having had an opportunity to vote upon our amendment I come now to the amendment introduced yesterday by the C.C.F. It has already been made clear that it is our purpose to support that amendment and I wish to give one or two reasons for our views in that regard. The amendment is in these terms:

> That Bill No. 82 be not now read a second time but that the subject matter thereof be referred to the standing committee on agriculture and colonization.

From the Social Credit party the house heard today a proposal that in the event of the bill receiving second reading the government should at that stage permit the bill to be sent to the committee on agriculture and colonization so that representations could be heard from the farm organizations of western Canada. One would have thought that that was a reasonable, indeed a modest proposal; but this arrogant government has rejected that proposal out of hand. It had hardly left the lips of the hon. member for Acadia (Mr. Quelch) before the Minister of Finance (Mr. Harris), as government leader, rose and rejected it out of hand. So we are then faced with the situation where the government will have nothing to do with any suggestion that this measure go to a committee, whether before second reading or after.

Mr. Harris: Oh, no, it is going to the committee of the whole.

Mr. Fleming: Why does the minister quibble? Who does he think is going to yield to nonsense of that kind?

Mr. Harris: That is not nonsense.

Mr. Fleming: Of course it will go to the committee of the whole. Every measure goes to the committee of the whole, but the whole purpose of referring a measure of this kind to a select standing committee is to provide opportunity for intimate discussion and the

hearing of representations by those whose representations in connection with the matter this government ought to welcome. But they do not wish even the farm organizations of western Canada to be heard here on Parliament Hill. It is much better for their purposes that they go forward garbling what has been said elsewhere on behalf of the farm organizations in western Canada.

There have been statements made in the course of this debate as to the position of the farm organizations. There have been contradictory statements by the minister as to what the farm organizations had conveyed to the government. Surely in the face of this situation the fair way of handling it would be to invite those organizations to speak with authority before a select standing committee of the house.

It was not always so. The government when faced with such a situation has not always taken upon itself to reject such a proposal out of hand. Not always when a proposal was made by the opposition that the subject matter of a bill be referred to one of the select standing committees for consideration has the government risen in its wrath and said that it would kill the bill.

If there were on the part of the government a sincere desire to understand the problems of the west and to offer effective measures within the scope of parliamentary responsibility to meet the need of western Canada, then the government would surely welcome a proposal that would place this matter before a committee.

Mr. Howe (Port Arthur): I might say that representatives of the most powerful agricultural organization in western Canada were here not later than yesterday to meet the government and in the course of an hour and a half did not once mention the subject matter of this bill.

Mr. Fleming: I wonder if they were given a chance.

Mr. Rowe: That is pretty complete proof that they did not like it very well or they would not have mentioned it.

Mr. Fleming: It would indeed be interesting if the government would permit such an opportunity to be shared with a select standing committee of the house where we could elicit the facts.

As I have said, the government did not always take this attitude. There was a time when the government did not say that the adoption of an amendment like the one now under discussion would kill the bill and therefore it must not be entertained. On May 14, 1946, there was before the house—I refer to this as a precedent in relation to proper procedure in connection with this matter—Bill No. 54, to amend the Reinstatement in Civil Employment Act, 1942. That was a government measure and the then minister of labour, the late Humphrey Mitchell, moved the second reading. An extended discussion followed and strong criticism was levelled at the bill by the opposition. But, if you please, not only did the government accept an amendment that the bill should not be read a second time but that its subject matter be referred to a committee of the house, but a minister offered that amendment. At page 1533 of *Hansard* of May 14, 1946, it will be found that at the conclusion of the debate on the second reading of that bill Hon. Ian A. Mackenzie proposed the following amendment to what was a government bill:

> That the bill be not now read a second time but that the subject matter thereof be referred to the select committee on veterans affairs with instructions that they shall consider the same and report thereon to the house.

Mr. Harris: What happened then?

Mr. Fleming: It went to the committee, and the committee made its report and recommendations to the house. The house dealt with the bill in the light of the recommendations of the committee.

Mr. Harris: A new bill.

Mr. Fleming: Yes. What was wrong with that?

Mr. Harris: I am not arguing; I am merely telling you.

Mr. Fleming: The result was a very much improved bill, but apparently the government does not want an improved bill in this case. There was no difference in principle between the situation that then confronted the house on May 14, 1946, and the one that confronts the house today, February 15, 1956. There was no difference in principle, but there was this difference in fact. The government then had a narrow majority and it was not dominated by the present Minister of Trade and Commerce. Today the government has a swollen, silent, supine majority, and the government is dominated by the Minister of Trade and Commerce. That is the difference.

As I understand it, the purpose of the amendment that is now under debate is to give an effective opportunity for reviewing the problem and trying to bring forward some more effective measure to deal with it, and at least trying to clear up all the contradictions as to the attitudes of those principally concerned as expressed through the farm organizations.

Is there a problem confronting the wheat farmer of western Canada, and if so, is it

a problem that is national in its effects and dangers? I say, "yes". To listen to the government talk, and particularly the familiar optimistic tones of the Minister of Trade and Commerce, one would just think there is no problem at all. On January 16 of this year the Minister of Trade and Commerce, after making some sarcastic references to the opposition, said:

> Shortages are wonderful, to be solved by simply denying their existence.

What is the government's attitude here? If I might paraphrase the remarks of the minister, it would be this: problems arising out of surpluses are wonderful, to be solved by the government by simply denying their existence. So far as the government is concerned, everything is perfect. Wheat is moving; sales are running up; prices are good; there is no question of unused farm storage. Everything is perfect, nothing is wrong, and a surplus is a good thing. That seems to be the government's position. The government, having no solution to this problem, is content to deny the existence of the problem. Baron Munchausen at his best could not have done better.

Mr. Rowe: He never met the minister.

Mr. Fleming: As to the worth of the minister's statements, it would be well for us to recall this glowing statement made by the minister in this house on February 18, 1955—this is almost the anniversary of these remarks he made in the house at that time—as recorded on page 1312 of *Hansard*:

> However, as I say, our sales are very good. I can assure hon. members, I think with certainty, that before the crop year ends on July 31 any producer who has grain of any kind that he wishes to market will have had an opportunity of marketing it. The suggestion of storage on the farm, I feel, is one that will not help very much, considering the short period that should ensue between now and the day the wheat grower will be able to market all the grain he has to market.

Again, as recorded on page 1313, he said:

> We will have a substantial carryover of wheat, but that wheat will all be in public storage. Storage on the farm will no longer be a problem to western Canada.

What a travesty of the facts! What a prophecy! When we hear the minister indulging in his prophecies again, the easy optimism, the denial of the existence of the problem, I ask the house to weigh the worth of the minister's statements of that kind against the equally worthless statements that he was asking this house to accept one year ago.

Mr. Rowe: It is getting worse all the time.

Mr. Fleming: The problem is one of lack of cash income to the western farmer, arising from the failure of this monopolistic government agency to market his grain. The government refuses to deal with the situation in a way that would meet the needs.

Mr. Howe (Port Arthur): I thought you invented the monopoly.

Mr. Fleming: We have demonstrated that not only does the government not wish a better measure, but they do not wish to treat parliament as parliament ought to be treated in these matters. What is the hallmark of a free parliament? It seems to me there are two tests. The first is that parliament, by its very name, is a place to talk. That is the democratic method. No matter how the talk may try the patience of some, it has still been proven in the long run, over the long years and centuries of testing, to be the best method. We have tried to persuade by the method of talking.

That is not the method that was practised in Hitlerite Germany. That is not the method of Russia; there, when the masters of the Kremlin choose to address the presidium, they simply call the presidium together and make their statements. It is a sort of counterpart, I suppose, of the speech from the throne, a review of the things the government has done, and the assembled legislators hear these declarations. There are perhaps two or three speeches by members selected for the purpose. The members simply hold up their hands to pass whatever is required by way of legislation, and then they go home.

The other hallmark of a free parliament is the right to criticize, and criticize freely. Another hon. member of this house, the hon. member for Charlotte (Mr. Stuart) and I were two of a group of half a dozen Canadians who in the fall of 1948 visited Greece and were received in the Greek assembly during the course of a debate. The debate was interrupted for the purpose of having tributes paid to Canada, particularly in the light of what Canada had done through the Red Cross and Canadian aid to Greece through the allied war relief fund. I recall how heated was the debate before we came in, and with what heat an opposition member was criticizing the government.

When I came back home and was addressing a meeting at a Canadian university and relating this incident, which happened at a time when the communists were seeking to overrun Greece and there was great distress, warfare and bloodshed in that country, a communist stood up at the back of the hall and asked, "How can you pretend that the Greek parliament is a free parliament?" My answer to him was this: "The test of a free parliament is the right to criticize, and I heard pungent criticism of the government

being offered in that house by an opposition member." That to me was proof enough of the existence of freedom in the Greek parliament.

So I say there are two hallmarks of a free parliament. One is talk; it is a place to talk. The other is the right to criticize freely. Here in this debate we have had further, and indeed unnecessary, proofs of the fact that this government does not want a free parliament.

Mr. Harris: Oh, now, just a moment.

Mr. Fleming: The government regulates the business that comes before the house—

Mr. Harris: Mr. Speaker, I rise on a point of privilege. Nothing whatever that has ever been said in my time in this house would justify a remark like that.

Some hon. Members: Hear, hear.

Mr. Harris: A free parliament is something that all of us seek to uphold and maintain, and I suggest that hon. members are not in order to say otherwise.

Mr. Fleming: Sir, with—

Mr. Deputy Speaker: Order. I must agree with the minister on this point of order. I am sure that on reflection, the hon. member for Eglinton will also agree and will revise his remarks accordingly. While I am on my feet, may I also remind the hon. member for Eglinton that for some time he has been directing his remarks to what I might call a philosophic discussion of parliament. We are actually dealing with the second reading of a bill dealing with a very particular subject. I must ask the hon. member to confine his remarks to the principle of the bill.

Mr. Fleming: That is just what I am proposing to do. You will see the relevance of these remarks. This government has sought to stifle debate on this measure.

Mr. Deputy Speaker: Order. I indicated that the minister's point of order was well taken, and I thought the hon. member for Eglinton would commence his remarks by revising his previous remark in that connection.

Mr. Fleming: I am saying, Mr. Speaker, that this government has sought to stifle debate on this measure.

An hon. Member: At no time.

Mr. Fleming: Let me get on with my evidence.

Mr. Harris: I have no objection to my hon. friend making a statement of opinion of that kind, but the question of whether or not one is attempting to stifle parliament is a different matter. This matter of opinion can be argued in debate between us, but saying we are seeking to change a free parliament is a different matter.

Mr. Macdonnell: On a question of privilege, Mr. Speaker, may I ask you whether or not you, at the request of the minister, are not seeking to stifle opinion. This is a question of opinion, and you are seeking to stifle it.

Mr. Deputy Speaker: I hope the hon. member for Greenwood is not attempting to suggest that the Minister of Finance is putting words in my mouth. That implication will not be allowed to remain. I did agree that the point of order raised by the minister was well taken when the hon. member for Eglinton had said that the government was attempting to stifle a free parliament, or words to that effect; I will get the exact words in *Hansard* tomorrow. That was a statement of fact, and I think that implication should be withdrawn by the hon. member.

Mr. Fleming: If it will meet the situation, sir, I will say that in my opinion this government is trying to stifle a free parliament. They have tried to stifle debate on this measure. It started on January 27, the very first day of the debate, when the minister, in the course of his remarks, tried to frighten members of this house into refraining from making remarks critical of government policy. He proceeded to say there was no occasion for a prolonged debate on this measure. We had a short day on Friday, January 27 and a short day on Friday, February 3. Wednesday, February 8 was a half day, and at that time the minister rose and made some very inaccurate remarks. His patience was exhausted, because he has no patience for debate and no patience for criticism. He said then, when this measure had been debated for only part of two days, that we had been a long time on this debate.

Then he went on to say that it seemed to him no more repetitive speeches were needed, and that some members of the opposition had spoken twice while one was about to speak for the third time. It was proven that was not a fact, and no member of the group to which he referred had spoken more than once. Then he said there was no need for debate on the principle of this bill. Is that not an attempt to stifle parliament? He said he was willing to drop the measure until June and charged that those who were critical of the government's policy were simply seeking to block and obstruct. Yesterday we had the minister making the extraordinary statement in this house that, after all, he is too busy to sit in the house and listen to a debate of

this kind. At page 1177 of *Hansard* for February 14, 1956, the minister said:

> I do not know why you have to again listen to the speeches we have just heard. We have already heard the same men making the same speeches.

Then he goes on:

> I really begrudge the time. Her Majesty pays me for doing something useful and I do not think I am earning my pay when I have to sit here in the house and listen to the kind of blather we have been having on this particular bill.

Some hon. Members: Oh, oh.

Mr. Fleming: Is that the speech of a sincere believer in democracy? I say that kind of speech would better belong to the other kind of assembly to which I referred in other countries rather than in a free parliament. Neither that attitude nor that kind of speech has any place in a free parliament. The attitude exposed is not the attitude of anyone who has any knowledge of or sympathy with the proper functions of a free parliament. When the hon. member for Rosthern was speaking the minister interrupted him to say that he would soon be turning this discussion into a debate, and naturally he does not want a debate.

So we are left with this situation. First, there has been in fact no obstruction. The charge the minister has made in that respect is entirely lacking in truth. Second, the minister has been very angry. He objects to listening to criticism. He does not want debate. He does not want reply to the wild accusations he has made.

Mr. Howe (Port Arthur): What are you reading from?

Mr. Fleming: He just does not belong in a free parliament with an approach like that. He just does not feel at home and therefore it is natural he should not wish to sit here; he would prefer to spend his time outside. If it is such a bother to him to spend his time in parliament, there is nothing to prevent him from leaving this parliament. Third, he has indulged in threats to the members to frighten them into silence. He threatened dissolution yesterday; that was intended to frighten Liberal members of this house. I am sure it had no effect on anybody else. These threats make a mockery of parliamentary process.

Fourth, I say the Liberals in this house are on trial. If you believe in a free parliament, then for pity's sake express yourself and do not sit in this house like mummies. Do not allow the minister to tell you, as the Minister of Trade and Commerce told you on January 18, that from now on you must toe the party line. When members of a free parliament are told by one of the ministers that from now on they must toe the party line I say to you, Mr. Speaker, that it puts every Liberal member in this house on trial. If he toes the line, then of course he will be a good boy. If he wishes to preserve a free parliament, then let him assert his independence and refuse to be told how to think about this great national problem.

Mr. Howe (Port Arthur): On a point of order, what is all this harangue about? It does not have anything to do with this bill or this amendment.

Mr. Fleming: It has a great deal to do with the supine and submissive Liberals in this house in relation to this measure and in the face of the needs of western Canada that are not being met by this inadequate measure.

Mr. Elmore Philpott (Vancouver South): I may say that I have no wish to hold up this debate, but I want to take two or three minutes to deal with some of the remarkable points raised by members of Her Majesty's official opposition. In the amusing talk we heard last night from the hon. member for Dufferin-Simcoe (Mr. Rowe), which I think certainly put the house in good humour, there was one serious point which even in my humble capacity I would not like to allow to go unchallenged. The hon. member suggested that there was something wrong in this government holding out a helping hand to Britain in a time of great need when she stood entirely alone against the whole forces of fascism in Europe, and when this country held out a helping hand by giving Britain a long-guaranteed supply of wheat at a fair price.

There was another remarkable point, Mr. Speaker, raised by—

Mr. Rowe: On a point of privilege, Mr. Speaker, I cannot allow the hon. member's statement to pass because at no time in this house, during wartime or peacetime, have I ever suggested we should not give a helping hand to Britain. On different occasions I have urged that we give them more. It was in relation to the British agreement deal that the Minister of Agriculture (Mr. Gardiner) made that I was speaking, and to twist it the way the hon. member has is to misinterpret it in unfairness to me.

Mr. Philpott: If I have misinterpreted the hon. member, I am sorry, but when I read his remarks in *Hansard* he was objecting to the fact that we sold Britain a supply of wheat at much less than world prices, and especially to selling Britain wheat for about a dollar a bushel less than otherwise she would have had to pay.

I now want to deal with the other rather remarkable point made by my good and genial

friend the hon. member for Winnipeg South Centre (Mr. Churchill) who, I note, has just stepped behind the curtain, when he suggests the Minister of Trade and Commerce should follow the example of the great Conservative leader Disraeli in the year 1867 and when he found there was opposition to a certain resolution which he proposed, he should withdraw the resolution gracefully. I have been looking up the book to which the hon. gentleman referred. Jennings' "Parliamentary Reform", page 243, gives the incident to which my hon. friend refers. The incident would certainly interest the old professor of history, the present Secretary of State for External Affairs (Mr. Pearson). It was when the great Conservative leader was trying to put through his reform bill to give the franchise to more of the voters of Britain and to abolish the rotten borough principle. It seems to me, Mr. Speaker, that the members of Her Majesty's opposition are certainly on extremely weak ground—

An hon. Member: This has nothing to do with the bill.

Mr. Philpott: —when they have to thresh over old straw not only once but twice and three times, and when they go all the way back to Disraeli and then, by implication at least, criticize that great Conservative leader for having tried to put through the second reform bill.

In my opinion, Mr. Speaker, by trying to hold up the passage of this bill and by making the same speeches not once but twice, three times, four times, five times and six times, not only reviving the debate on the speech from the throne but debate at the various stages of this bill, members of Her Majesty's loyal opposition are doing exactly the same thing today to which they violently objected when the Minister of Trade and Commerce suggested last week that we might be obliged to postpone this bill. By suggesting that this bill should be sent to the committee on agriculture and colonization they are in fact saying that the western farmers are in no hurry for cash advances of any kind and can afford to wait for months and months.

Mr. Argue: That is twisting the record.

Mr. Rowe: You had better get back to family allowances.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, in reply to the hon. member who has just taken his seat, I might remind him that three months have passed since the Minister of Trade and Commerce made his announcement. If parliament has been able to wait for three months, I see no reason why we should not wait long enough to act on the suggestion made by my colleague the hon. member for Kindersley (Mr. Johnson). The amendment before us is that Bill 82 be not now read the second time but that the subject matter thereof be referred to the standing committee on agriculture and colonization.

The Minister of Trade and Commerce is old enough and has been here long enough to know that if he will only say the word, this reasonable request can be granted. When the minister was leading the house some years ago I had the honour of presenting an amendment asking that the question of milk subsidies be reconsidered, and the minister turned around and suggested there should be a free vote on that subject. There was such a vote and the amendment carried, and the government was not defeated. I suggest that all that needs to be done now is for the Minister of Trade and Commerce to say that this is a question that deserves the impartial consideration of all members of the house and that there will be a free vote.

The fate of the government will not depend on the outcome of that vote. If a majority is of the opinion that this bill should not now be read the second time but that the subject matter should be referred to the standing committee so that witnesses can be called, in the light of the discussion and the decision, the government can then decide whether or not it wishes to bring in additional legislation.

The hon. member for Eglinton (Mr. Fleming) has used a good deal of material that I planned on using. I want to thank him for that.

An hon. Member: Do it again.

Mr. Nicholson: Mr. Speaker, I resent the suggestion of filibuster and delay.

An hon. Member: That is what you are doing.

Mr. Nicholson: If there is anyone on the government side of the house who feels that this matter is being delayed, all you have to do is bring in a motion of closure and with your government majority the motion will carry.

Mr. Howe (Port Arthur): That is what you want.

Mr. Nicholson: When you were in the chair yesterday afternoon, Mr. Speaker, when the hon. member for Rosthern (Mr. Tucker) was speaking, you were surprised—as was I—to have the Minister of Trade and Commerce say this, as reported at page 1161 of *Hansard*:

Mr. Speaker, are we having a debate on second reading or—

The Acting Speaker (Mr. Applewhaite): I did not hear the point of order raised by the minister.

Mr. Howe (Port Arthur): On second reading I do not think that this speech should be allowed to degenerate into a debate.

I suggest, Mr. Speaker, that one who is getting so old and tired as to make that sort of interjection in this sort of debate must be causing a good deal of embarrassment to his younger colleagues—

An hon. Member: Don't worry about that.

Mr. Nicholson: —when he suggests later on, as reported at page 1177 of *Hansard*:

I do not know why we have to again listen to the speeches we have just heard.

Mr. Speaker, you are following closely what is being said, as are other members and I am sure that if anyone on the opposition side was attempting to make a speech that had already been made since that controversial subject arose, you would have been quick to draw attention to the fact that at page so and so of *Hansard* the speech was to be found. But these speeches are not speeches which have been given. The minister said:

I have other things to do. I really begrudge the time. Her Majesty pays me for doing something useful and I do not think I am earning my pay when I have to sit here in the house and listen to the kind of blather we have been having on this particular bill.

An hon. Member: Who said that?

Mr. Nicholson: Those are the words of the Minister of Trade and Commerce.

Mr. Argue: It could not be anybody else.

An hon. Member: Read it again.

Mr. Nicholson: In my opinion, Mr. Speaker, those words are a reflection on parliament. As the hon. member for Eglinton has suggested, if the minister is too busy or too tired to hear what is being said on this particular subject, let him do what he suggested he would like to do. Let him go away or do whatever he likes.

An hon. Member: Go fishing.

Mr. Nicholson: Yes; go fishing.

Mr. Knowles: If he does not think he is earning his pay, he does not need to take it.

Mr. Nicholson: When the minister spoke on this subject some little time ago he cited the case of the meeting he attended when there was someone who was critical, I presume, of government policy on agriculture. After the meeting was over the gentleman who was so vocal gave the Minister of Trade and Commerce a lift and the conversation is alleged to have run something like this: "After all, conditions are not as tough as I indicated". The minister said, "This is a nice car you are driving." "Of course; it is a new car and I like it." The farmer said, "It has been the goal of my lifetime to be in a position where I was free of debt, with a crop in the bins and was sitting pretty; and I am happy to be in that position now". Then the minister concluded by saying, "That is the position of the western farmer".

Mr. Blackmore: A scandalous remark.

Mr. Nicholson: After hearing him, Mr. Speaker, I could not let the resolution pass without challenging the fairness of that sort of statement. I was reminded of the report of a speech which his colleague the Minister of Finance (Mr. Harris) delivered in New York.

Mr. Studer: We heard it.

Mr. Nicholson: No, you did not hear this speech; I did not have it. This is what the Minister of Finance said on November 2 last when he was speaking as the guest of the Canadian Club in New York. I suggest that the Minister of Trade and Commerce should read this speech; it is excellent. After giving a review of the Canadian scene, the Minister of Finance had this to say:

The wheat problem as it exists today is not just a product of the temporary generosity of nature. The roots of the problem go much deeper than this. They lie in the national policies of a number of countries. Basically, the large stocks of wheat have arisen because of world acreage expansion. This acreage expansion has been the result of national policies of subsidies and tariff protection. The consequence of acreage expansion has been higher production. The estimated production for 1955 is not far short of 7½ billion bushels compared with about 6 billion bushels for the average of 1935 to 1939.

United States wheat production has increased proportionately over pre-war figures considerably more than world production; and the building up of very substantial unsold surplus has resulted. The ways and means by which the United States reduces these surpluses is of serious, indeed, vital interest to us.

In Canada we have a central selling agency for wheat, the Canadian wheat board, but we do not subsidize the wheat producer. The wheat grower in Canada receives an initial price on delivery and eventually a final payment which represents the net price received by the wheat board after meeting all costs of storing, handling, transporting and selling the crop.

The Canadian wheat producer is fully prepared to compete on equal terms in the world wheat market. He has confidence in the quality of his product and his technical efficiency in producing it. However, it is quite another thing to compete with wheat grown in other countries where it is heavily protected by either high tariffs or high subsidies, or both. The problem of the Canadian wheat producer will only be solved with the removal of these high artificial barriers which now restrict, directly and indirectly, our access to the world wheat market. But I can only repeat—wheat production is the principal source of cash income of the great majority of our western

farmers and we, as a government, are bound to be greatly influenced by anything so vital to them and to our national economy.

Mr. Harris: Am I expected to applaud?

Mr. Nicholson: No, but I would expect the minister's colleague, the Minister of Trade and Commerce, to do him the courtesy of at least reading this speech and learning of the views the Minister of Finance made known at the meeting in New York city when he was invited to address the Canadian Club. If this matter was of such importance, and it was, for the Minister of Finance, in the middle of a very interesting and accurate review of the whole Canadian economy, to take time to point it up, then I suggest, that the two eldest and senior members of the cabinet, the Minister of Trade and Commerce and the Minister of Agriculture, are doing a great disservice to their colleagues, to parliament, and to the people of Canada in suggesting that there is no problem; that it is a situation that is not to be worried about.

When speaking at another place the Minister of Trade and Commerce said:

> The Prime Minister lays down the party line. Once that line is laid down, I don't care whether you are a member of the House of Commons or the Senate, that line should be adhered to. We stand or fall together.

Mr. Habel: What has that to do with this debate?

Mr. Nicholson: I suggest there is an amendment before the house, and the Minister of Trade and Commerce said that if the backbenchers cannot support it the government will fall.

Mr. Habel: Who said so?

Mr. Nicholson: The minister has said it is a want of confidence motion. The Minister of Agriculture said:

> When the majority of the Liberal party agrees that a thing should be done I am going to work to see that it is done.

Whether it is right or wrong, so long as it is the party line. Not so Senator Power—

Mr. Dickey: Watch your desk.

Mr. Nicholson: Senator Power said:

> It has not been many generations since men struggled to destroy forever the doctrine of the divine right of kings.
>
> Cherishing these traditions and honouring those proponents of a free parliament I cannot bring myself to believe—

The Acting Speaker (Mr. Applewhaite): I have, perhaps incorrectly, allowed references to pronouncements by the minister who sponsors the bill and by the minister responsible for the Department of Agriculture because they might conceivably have some bearing upon the questions before us. But I must express the definite opinion that expressions of political philosophy by someone in another place, not dealing with the question of guaranteed bank loans to farmers, is not in order in the present debate.

Mr. Nicholson: Thank you, Mr. Speaker. But, as the Minister of Finance pointed out so correctly in New York city, the Canadian farmer cannot compete in the world with producers in other countries who are subsidized or where there are tariffs. In Chile the farmers receive the equivalent of $4.50 a bushel; Switzerland, $4.19; Norway, $3.43; Sweden, $2.35; Argentina, $2.72; and the United States, $2.24. So long as wheat is coming from countries that have these large subsidies, while we are trying to compete with wheat without any assistance, we shall be in a hopeless position.

Last night the hon. member for Waterloo South (Mr. White) spoke, and I was glad to have him take part in the debate. I am aware of the fact that those of us from the wheat-producing area have taken considerable time of parliament this session.

Mr. Blackmore: Not nearly enough.

Mr. Nicholson: I am sure in our remarks we have not suggested that there are no problems in other parts of Canada. I am sure that the hon. member for Waterloo South is a reasonable person and that on reflection he will not support what he said last night, which is as follows, as reported at page 1183 of *Hansard*:

> The more I listen to the C.C.F. representatives from western Canada the more I am convinced that they are not concerned with the welfare of the western wheat farmers as much as they are with political expediency.

Well, I think that was not a useful contribution to make to this debate. The Toronto *Star*, which supports the present government very faithfully, considered this question important enough to send one of their ablest reporters, Robert Nielson, to Saskatchewan to find out from the grass roots, if there is a problem, and Mr. Nielson has an article in the last issue of the Kelvington *Radio* that just reached me. He has had interviews with farmers on their farms. On the train coming out from Saskatoon he met a farmer by the name of Mr. Rediger who told him about the conditions on his farm. He called on several farmers who gave figures with regard to their expenses and incomes for the year.

Part of the report reads:

> Rediger broached a theme that was to be stated, politely but firmly, by nearly every westerner I talked with. He contrasted the position of the prairie farmer at the mercy of the world market for his income, with the happy state of workers and managers in eastern industry, sheltered by tariffs (which jack up the farmers' living and operating expense).

The report mentioned a hardware store in the town of Wadena, with a stock of $40,000 to $50,000, I would say. The hardware merchant said that one day the previous week he had sold 10 cents worth of goods.

Here is a significant pargraph near the end of the report:

> Nowhere on the farms or at the elevators did I hear a kind word said of the federal government's plan for 5 per cent loans through banks on farm-stored grain, up to a maximum of $1,500. A farce—said Harmsworth. Why should we pay interest on our own money? The farmers hereabouts take the view that they have done their work, harvested the crop, and should be paid for it—not asked to go deeper in debt.

I have here returns from some of the municipalities in my constituency. These municipalities are run by reeves and councillors who were elected on their merits. If he were here I believe the Minister of Agriculture would support me in saying that the provincial rural municipal organization is still under the influence of the Gardiner machine out there but be that as it may.

I shall read the tax returns as at the end of December, 1954, and 1955 for the following rural municipalities:

	Dec. 31, 1955	Dec. 31, 1954
Arborfield	$ 136,000	$ 110,000
Bjorkdale	150,000	109,000
Buchanan	87,000	61,000
Clayton	119,000	89,000
Invermay	54 000	23,000
Kelvington	132,000	99,000
Keys	79,000	62,000
Livingstone	73,000	49,000
Moose Range	334,000	210,000
Porcupine	158,000	124,000
St. Phillips	50,000	39,000
Sasman	154,000	111,000
	$1,526,000	$1,086,000

In all parts of Canada citizens want to make payments on taxes the main responsibility, and the citizens in these areas realize that unless their taxes are paid they cannot have the customary services in their roads and schools.

What is the direct result of these municipalities being unable to collect their taxes? I have another return which gives the amount of money that these school units which cover all of my area borrowed from the banks and on which they were paying high rates of interest:

School Unit Bank Loans as at December 31, 1955

Canora	$180,000
Hudson Bay	210,000
Kamsack	107,000
Nipawin	233,000
Sturgis	209,000
Tisdale	130,000
Wadena	267,000
	$1,336,000

The above school units owed the banks a total of $1,336,000 because they had been unable to collect their taxes.

The secretary for the municipality of Hazel Dell wrote saying how much their tax arrears have increased. The reeve of this municipality is Tommy Miller, who happens to be a very good supporter of the Minister of Agriculture. Although Mr. Miller has always voted Liberal I should pay him the honour of saying he is a very good reeve and I think he does a very good job. He is doing everything within his power to see that the taxes are collected.

Here is a situation the Toronto *Star* considers a matter of national concern and on which it sends one of its top reporters to Saskatchewan by aeroplane. He sees the people in their farm homes and in town. The secretaries of the municipalities point out that without exception every municipality in my constituency has reported tax arrears are away up from a year ago.

As Mr. Rediger pointed out, the thing which annoys the farm people is that the Minister of Trade and Commerce can correctly say that business is booming. International Nickel in 1954 had a net profit after taxes of $65 million; Imperial Oil, $49 million; Distillers Corporation, $35 million; Aluminium Limited, $33 million; Bell Telephone, $28 million. Every other sector of our economy is prosperous; yet the Minister of Trade and Commerce refuses to consider his own statistical information.

The hon. member for Kootenay East (Mr. Byrne) took part in the debate. I am sorry that an hon. member from an industrial riding should have tried to create the impression that the farmers in Saskatchewan are in high income tax brackets, and that when the war was on they purchased victory bonds as soon as they were issued while industrial workers were unable to do so.

I am happy to note that in a publication of the bureau of statistics which came to me it was pointed out that labour income from January to October of last year indicated an increase of 7 per cent. Wages were up 7 per cent; they reached an all-time high, and that is as it should be. I think if the labourer receives a good pay cheque he is going to be able to buy more food, and food of better quality.

I might say that the attitude of the hon. member for Kootenay East, who said in effect that we are misrepresenting the plight of the farmer and that after all the farmer is getting more than he deserves, is different from the attitude presented by most industrial organizations. It is typical of the trade union

movement on the whole to recognize that this is one of the problems in Canada, that farm people are not getting their fair share of the national income. Some hon. members have gone into the farming areas and suggested that the farmer's trouble is caused by the fact that the industrial worker is getting such high wages.

In the United States the U.A.W. recently made a study when steel prices went up in that country. In a circular issued by the U.A.W. in Washington I note on page 9 it is pointed out that the corporation profits before taxes went up 65 per cent and corporation profits after taxes went up 41 per cent; dividends paid by corporations were up 73 per cent but the farmers' net income was down 28 per cent.

The U.A.W. realize that when this happens they cannot sell automobiles and farmers cannot buy farm machinery. They point out that when the price of steel went up $7.50 a ton that year—

Mr. Blackmore: The price of what?

Mr. Nicholson: When the price of steel went up. This sort of increase creates some resentment for labour. The automobile workers had an increase of 21 cents an hour, and this increase would have warranted an increase in G.M. labour costs to the extent of $49 million. Instead of increasing by $49 million, they increased by $570 million. In the farm implement industry it should be pointed out that when Deere and Company gave an extra dollar to their workers, they collected $1.96 from their customers, and when the Oliver Corporation gave an extra dollar they charged $2.05. Allis-Chalmers—

The Acting Speaker (Mr. Applewhaite): It is with no pleasure that I interrupt the hon. gentleman. I am sure that the hon. member for Mackenzie will agree with me that the relationship between wage increases and the cost to the consumer of manufactured goods is so far from the question as to whether or not the particular bill should be referred to the committee on agriculture that it cannot be regarded as being in order in this debate.

I have no desire to interfere with the hon. gentleman and I do not like these interruptions because they always break into the train of thought of the hon. member who has the floor and make it difficult for him. But I think I am fully entitled to ask the hon. member to bring his argument much closer to the subject matter before us than he has been doing during the last four or five minutes.

Mr. Nicholson: Mr. Speaker, I appreciate your point and it is very well taken, but unfortunately government members who have taken part in this debate, particularly the hon. member for Waterloo South, who was permitted to discuss butter last night during this debate, have been allowed to wander. If hon. members on the other side are to be permitted to discuss everything under the sun, then I think hon. members on this side should be able to do likewise.

The Acting Speaker (Mr. Applewhaite): I am going to take it upon myself this time to interrupt the hon. gentleman and indicate that I interrupted the hon. member for Waterloo South yesterday of my own volition.

Mr. Nicholson: I shall not pursue that matter any further, as I want to leave some time in which to say something about the Minister of Agriculture. The minister should know better than to come to parliament and present the proposition that the farmers have never been as prosperous. The minister would be quite right in saying that the farmers of Canada are much better off than the farmers of India, the farmers of Pakistan or the farmers of a great many other countries, but that is not the point. The farmers of Canada are receiving a diminishing share of the national income as their costs are going up.

No one knows this better than the Minister of Agriculture. The other day he started to give us some figures on farm net income, and pointed out that the net income picture was pretty serious in the prairie provinces, but that taking a five-year period the situation was quite different.

On checking the Parliamentary Guide I find that the Minister of Agriculture was first elected to represent the people in 1914, 42 years ago. No wonder he is getting old and tired. I find that 34 years ago he was given cabinet responsibility, and that for the last 34 years he has been either a cabinet minister or the leader of an opposition. With that sort of record he should be in a position to speak with some authority over a long period. But when he suggests that the farmers in the west are in a very favourable position, or if they are not it is their own fault, he is doing a great disservice. The Minister of Agriculture gets the equivalent of $500 every Saturday night.

Mr. Blackmore: He does not have to borrow.

Mr. Nicholson: He does not have to worry about a bank loan. If farming is as prosperous as he has indicated he should be able to make enough on his farm to pay his income tax. Any farmer who could count on $500 a week would not be worrying about a bank loan. I think the figures I have given with reference to arrears of taxes in north-eastern Saskatchewan suggest that there are

very few people who have the good fortune the Minister of Agriculture has had in having such good health and a guaranteed income over such a long period. He is performing no service for agriculture by making that sort of suggestion.

The hon. member for Winnipeg North Centre (Mr. Knowles) has just handed me a little circular which I presume all hon. members have received, which indicates that the C.C.F. members here are backed by a considerable claque of wheat pool interests. Claque is defined as being a body of applauders, or hired applause. It points out that fortunately the government is not going to yield to our pressure and that the Canadian government has rightly refused to lick the boots of pressure groups whose main objective is to soak the Canadian taxpayer.

Before I conclude may I say that I wish the backbenchers would reconsider this matter and decide whether the Minister of Trade and Commerce was speaking for them when he suggested that they follow the party line. I should like to extend an invitation to the committee to meet in northeastern Saskatchewan. The accommodation there may not be quite as good as at the Chateau or in this building, but the best accommodation available in my constituency would be forthcoming for a meeting of a special committee to hear witnesses.

I think it is significant that the Minister of Justice has not made the same sort of mistake as was made by his colleagues, the Minister of Trade and Commerce and the Minister of Agriculture. I would be surprised if the Minister of Justice suggested at his Minnedosa meeting that the farmers of Canada are as prosperous as the Minister of Trade and Commerce said they were or as his colleague the Minister of Agriculture indicated. I hope serious consideration will be given to having this matter referred to the committee on agriculture and colonization in order to give the delegation which met the cabinet yesterday a chance to put their cards on the table and tell all Canada that we are wrong, that the farmers they represent are enjoying an era of prosperity seldom experienced in Canada.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I did not speak during the resolution stage nor on the second reading, and I perhaps should not be speaking now as the position of the Social Credit group has been placed on the record more than once, but I rise to speak because of one word emphatically expressed by the Minister of Finance, when he said "no". I listened to the hon. member for Acadia (Mr. Quelch) with great interest as I always do. We regard him as one of our exceptionally expert men when it comes to matters of finance and trade and agriculture.

Mr. Harris: I agree wholly with that; do not dissociate me from that.

Mr. Hansell: I was not connecting the "no" with what I am saying now. I listened to the hon. member's speech, and as usual it was sensible, it was most reasonable, it was logical and, as all his speeches are, it was filled with sound judgment. His speeches are very seldom destructive, and in this instance he did not tear down anything. The speech he made this afternoon, I thought, was exceptionally constructive. His request was most reasonable. He stood here as a sort of peacemaker between the government, which is asking the confidence of this house, and a number of members on the opposition side who do not wish to vote confidence on this bill.

The suggestion he made was that we in this group should vote confidence on second reading, provided the government were a little more reasonable. He did not even ask the government to change its position. All he wanted was that the government would be more reasonable and on its own initiative send the bill to the committee without a vote on the amendment. It is going to be voted upon, but as far as our group are concerned we would vote against the amendment if the minister would send the bill on second reading to the committee on agriculture and colonization. But the minister interrupted my hon. friend and said, "The answer is no." It was a very emphatic no, and we all know that no meant no. Sometimes I wonder whether the government knows exactly its constitutional position.

An hon. Member: No.

Mr. Hansell: I have my ideas about it. The government assumes it was elected to bring some bills down. The government of this country is never elected. It is members of parliament who are elected, and they as individuals were elected by their constituents. Of course if they represent the party with the biggest majority, their leader is asked to form a government, and able men of the party are called in to form that government. But they assume that they speak for parliament. I might ask boldly, "Who do they think they are? Do they think they represent the people?"

The fact of the matter is that their actions would indicate that they have no regard for the people's wishes. The proposal that was made by the hon. member for Acadia on behalf of his group was a very reasonable one: "The bill is not all we want, but we

will vote for it, if he will send it to the committee on second reading, so that representatives can come and express their views." There are people representing various organizations who could appear before the committee and make their views known.

Now, let me ask what are standing committees for if they are not to look into the details of bills and hear representations from groups of interested people in this country?

Mr. McIlraith: Members of parliament are elected to represent the people.

Mr. Hansell: I recognize that, but what my hon. friend over here is saying is that therefore we do not need any standing committee.

Mr. McIlraith: No, he was careful not to say that. He was trying to put you right on law.

Mr. Hansell: He said it by inference. We have our standing committees for a purpose. Those standing committees are to hear representations on various bills and other matters.

Mr. McIlraith: No, they are not. They are to consider matters which are referred to them. That is their function.

Mr. Hansell: I did not say anything different from that. That is what we are asking. We are asking that the matter be referred to the standing committee. That is what they are for. Another thing is this. Should the government decide to refer this matter to the committee, these organizations would have the opportunity of coming before the committee and there presenting their submissions.

It must not be considered that only the farm organizations would come. They would come, naturally, but there are other interests which might oppose the bill and would be welcome to present their submissions. Other organizations, such as industrial organizations, may oppose the bill. I do not know of any that do, but there may be some. Even the banks could make representations. Even other lending institutions could make representations.

So the standing committee, which according to the ratio of members in this house would have a majority of supporters of the government party of this house anyway, could hear all those submissions. Indeed, there could have been an expression of the opinions of the people of Canada who are interested in this measure. But the government says no.

When the hon. member for Acadia made the suggestion, which was most reasonable, the Minister of Finance leaned over and spoke to the parliamentary assistant, and the Minister of Trade and Commerce walked in and sat with them. The three of them got into a little huddle. I have that in my notes here, because I drew three little heads with some hair on. After the huddle the minister rose and interrupted my hon. friend without even hearing the rest of his arguments, and said simply that the answer was no.

When I was a boy I went to Sunday school. As a teenager I was in a young lads' glee club. The director of that glee club taught us many songs, one of which—rather a unique one, but a good one, and we sang it with great gusto—was entitled "Have courage, my boy, to say no."

Mr. Argue: Walter was in the same club.

Mr. Hansell: The verses were all about the wiles of the devil and the sins that beset young men. Each verse ended—and my, how we sang it—with the words, "Have courage, my boy, to say no."

Mr. Harris: On a question of privilege, I insist that the hon. member should not refer to one of his party as a devil.

Mr. Hansell: I do not want to imply that one of my party is a devil but, frankly, I must admit that sometimes I think I have a little trace of him myself. However, I think the minister must have gone to Sunday school and learned that song, "Have courage, my boy, to say no." I should have imagined, with the minister sponsoring the bill, the government would be the first body that would want to hear representations from various organizations. I should have imagined they would be in a stronger position if they could say, "Yes, we shall send this bill to the committee and we shall hear what the various interested people have to say about it." I do not know why they do not say that.

The hon. member for Rosthern (Mr. Tucker) spoke yesterday. I have a high regard for the hon. member. I do not laugh as much as some do when the hon. member speaks. He has a case to present, and his position over the years has been most difficult.

I say with all sincerity that I have a high regard for the hon. member for Rosthern. Yesterday he rose and spoke to this motion. He read from documents signed by various organizations and attempted to prove that the measure that is before the house is the very thing these organizations wanted. I am not saying whether or not it is, but if that is so then why not send the bill to the committee? Then we would find out whether or not that is exactly what these organizations want.

I am afraid, and I rather suspect, one reason the minister will not allow this bill to

go to the committee is that he knows these organizations will come down and say, "No, the interpretation the hon. member for Rosthern is putting forward is not the right interpretation." I have a suspicion that is exactly what the organizations would do, and of course the government would not want that to happen.

We would have voted for the bill. We voted for the resolution. When the bill was introduced it was a lot harsher than we ever expected it would be. We felt determined to vote against it. Yet we have said no; it might be well for the farmers to be able to get their loans and to have the banks guaranteed against loss, so perhaps we had better vote for the measure. Then came the amendment presented by our C.C.F. friends. Well, that posed a question for us. We had to make a decision. Were we going to vote for this amendment? We said it was a technical want of confidence motion, but there is a middle of the road proposition we can make so that we do not have to vote for that technical want of confidence motion. We said we would act as mediators. We would propose that the government itself send the bill to the committee, so we can vote confidence in the government and in the bill.

That was most reasonable, was it not? The minister rose and had the courage to say no. Now what faces us? We are faced with a decision now, as the hon. member for Acadia has said. Are we going to vote confidence in a measure and in a government that refuses to hear the representations of the people who would have been permitted to come before a proper standing committee, set up for that purpose, and present their wishes? The government can make their decision. They will still have a majority of members on the committee. They could make their decision on the basis of the evidence submitted. We feel that is a most reasonable request.

Now the picture has changed. Can we have confidence in a measure and in a government that does not want to hear the representations of these people on this measure? Any government that does not want to let the light shine in on its administration does not deserve a confidence vote of this house. I am afraid, therefore, as the hon. member for Acadia has said, that we will have to vote for this technical non-confidence motion and vote against the bill on second reading.

Mr. William Bryce (Selkirk): I do not like this Bill No. 82, Mr. Speaker, any more than other hon. members, but I do not like it for different reasons. This bill is entitled:

> An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

That is not the problem in my constituency. We have not any grain to deliver. Here we have the government going out to help people who have grain and forgetting about the people who have had no crop for two years. I think that is disgraceful. I appealed to the government last year, and I appeal this year, to do something for these people.

Mr. Howe (Port Arthur): What you want is advances on grain.

Mr. Bryce: We could not get advances on grain because we have no grain, but you could do something for us. Help is needed in the interlake country. It is really bad there. I have tried to tell the government and the ministers what the situation is, but they think my language is too strong. They think I am exaggerating. These people in the interlake country are suffering. They are leaving their farms, and where are they going? They are going into the cities to compete with the men who are working there. That is a bad situation. If you lose a crop one year that is a calamity, but when you lose crops for two years that is a disaster. Certainly some of the people in the interlake country have a crop, but there are people there who will not be able to pay their taxes this year who have paid their taxes consistently for over 40 years.

I suggested that something should be done to bring in feed and seed to these people. I do not want to be told I am out of order, Mr. Speaker, but this is a serious matter and something ought to be done about it. I know I cannot move an amendment because it would call for the expenditure of money. It is going to cost money. There is more grain in the west than you know what to do with, and surely you could send some of that to the interlake country so some of these people will remain on their farms. An amendment of some kind could be introduced.

I could talk about this until tomorrow morning. I rose at this time to draw your attention to the serious situation there. Do not fail the people in the interlake country. They need help and need it badly. The unfortunate thing is that when I meet some of the cabinet ministers in the Manitoba government they say, "Well, what is the federal government doing?" Then when I speak to some of you gentlemen here you say, "Well what is the premier of Manitoba doing about it?" You are passing the buck. Don't do that. Don't do that to good citizens of Manitoba.

I am not going to say any more. I appeal to you as I have never appealed before. These people are in desperate circumstances. Do something for them.

Mr. F. S. Zaplitny (Dauphin): The motion before the house is very simple, Mr. Speaker. The amendment moved by the hon. member for Kindersley requests that instead of giving this bill second reading the subject matter thereof be submitted to the committee on agriculture and colonization. One would have expected that the government would have been very anxious to accept that motion, because it provides them with an excellent opportunity to get off the hook.

As the debate has proceeded on this bill it has become evident that the members of the government and the private members supporting the government who come from the prairie provinces have been becoming more restless and resentful as time went on. It is not altogether because of what has been said on this side of the house but because I suspect they are beginning to hear from back home. They are beginning to find that the assumption with which they started out, namely that they could present this half-baked measure as a substitute for cash advances and get away with it, was wrong. They are beginning to find that the farmers in the prairie provinces are simply not going to take this matter lying down. Hence the desire seems to be there to hurry it through, rush it through the house without too much comment, in the hope that it will be a forgotten matter before very long.

Recent events here have shown that they are not getting away with that idea. I want to say that we certainly welcome the change of attitude on the part of our Progressive Conservative friends to the right and of our Social Credit friends to the left.

Mr. Blackmore: There is no change in attitude; merely clarification.

Mr. Zaplitny: I will explain that remark in a moment. I refer to the fact that, on the part of both of those parties, those who spoke for them had announced that they were going to vote for second reading of this bill. They have now both announced that they are going to oppose the second reading of this bill and vote for the amendment to refer this matter to a committee. That is a change of attitude.

Mr. Blackmore: No; merely clarification.

Mr. Zaplitny: The change is perfectly justified, and I say that not in any criticism. I say it rather as a compliment to their good judgment in having at last swung in behind the C.C.F. on this question.

[Mr. Bryce.]

What are some of the reasons why we have asked that the subject matter of this bill should be referred to the committee on agriculture and colonization? Perhaps the main reason is the fact that the hon. member for Rosthern, on two occasions at least and perhaps three in this debate, has risen in this house and attempted to put his own interpretation on what happened at the Saskatoon grain conference. As one of those who were present at that conference, I am quite satisfied that the interpretation he seeks to place upon the desire of the delegates who attended that conference is not the correct one.

Naturally I do not expect him to agree with me but certainly he can go along this far. If he contends that what the delegates at the Saskatoon conference—and consequently the smaller delegation which was sent by this conference to interview the government—asked for is what is now contained in the bill, whereas of course we argue that it is not, then would it not be the wisest course for the sake of his own argument to submit this matter to the committee on agriculture and colonization and invite these various farm organizations which composed this conference to send their delegates again to Ottawa and have them place their wishes before that committee? Surely that would settle the argument as to what they asked for.

We contend that they did not ask for bank loans at 5 per cent, and voluminous evidence has been placed on the record to prove our contention. All that the hon. member for Rosthern has had to go on so far has been a set of resolutions passed at the Saskatoon grain conference which, because of the fact that they were not too specific in every respect, gave him just enough elbow room to place his own interpretation on them. We are willing to place our argument before that committee, and we are willing to hear the representations of these various farm organizations before that committee. Nothing could be more reasonable than that.

When one looks at this bill and hears the speeches of the members supporting it, one begins to wonder whether they are talking about the bill because, according to some of the speeches that have been made in support of this legislation, one would get the impression that the government is acceding to the request of the farm organizations for cash advances and that proposition, of course, is what the hon. member for Rosthern continues to argue. But what does this bill do? It does not provide for cash advances to the farmers. All it does is provide a guarantee to the banks in the event that they should make some loans. Not only does it do that; it also

provides for penalties to farmers in case they should misunderstand the legislation.

I think that is one of the features of the bill that would come as rather a surprise to a good many farmers. I think they will be surprised when they read the bill and find that if they happen to fill out the form which is supplied to them through the banks in the wrong way, or if they happen to make a mistake—and that would not be too hard, considering the fact that the government has set up regulations even before the legislation is passed—they are liable to a fine of $500. That is a far different thing from cash advances. It is an attempt to shift from the government to the banks the responsibility for the financing of agriculture in this crisis. It is also an attempt to shift the cost of that operation from the government to the shoulders of the farmers themselves.

In view of all that, it is rather strange to hear the word "misrepresentation" used by the hon. member for Rosthern and others. The bill itself is a complete misrepresentation of what the Saskatoon grain conference asked for and of what was asked for by every farm organization and every chamber of commerce plus the retail merchants plus anybody else who has had anything to say about it living in western Canada. It misses the point completely. It does not fulfil the functions for which cash advances were intended.

It does more than that. This attempt by the government to get out from under, to shift the responsibility for a crisis which is of their own making on to the banking system of this country, is doing more damage to the whole philosophy of the principles of orderly marketing than anything I can remember that has been done in this house previously.

Let us consider the situation. In 1946 the farmers were told that in order to enter into an agreement for the sale of grain under which Canada could guarantee a supply of grain to our customers, two things were needed. One was that the farmers would have to agree to a ceiling price, and it was set at $1.55. The second was that all the grain must be handled through the wheat board in order that there might be stability of price and stability of supply. The grain producers in this country were quite conscious of the fact that the market price at that time was higher than the amount provided in the agreement with Britain. However, they went along with the government on the understanding that the government was assuming the responsibility for the marketing of that grain. Today the government is denying that responsibility.

Mr. Blackmore: Six o'clock.

Mr. Zaplitny: May I move the adjournment of this debate?

On motion of Mr. Zaplitny the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall continue with this debate tomorrow.

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

Questions

ANSWERS TO QUESTIONS

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

KINISTINO INDIAN RESERVE STATISTICS

Question No. 97—**Mr. Bryson:**

1. How many Indians reside on the Kinistino Indian reserve?
2. How many acres of cultivated land are there on this reserve?
3. How many acres of pasture land on this reserve?
4. What was the cash income each year since 1951 from the sale of (a) grain products; (b) livestock products; (c) other products?

Answer by: **Mr. Pickersgill:**

1. According to the band membership list, there were 183 members of the Kinistino band as of January 31, 1956. The actual number of Indians residing on the reserve, however, varies from time to time.

2. 348 acres.

3. 1,500 acres, fair to good.

4. There are no official records kept of the total income of Indians. Statistics are, however, maintained for reserves on which the "permission to sell" section of the act is invoked with respect to farm produce. These figures would not necessarily be an accurate reflection of the total income of the Indians concerned.

FEDERAL BUILDING, CHATHAM, N.B.—PROPERTY PURCHASED

Question No. 101—**Mr. Bell:**

1. Has the government purchased any properties to be used as the site of the new federal building at Chatham, New Brunswick?

2. If so, from whom, and what were the purchase prices?

Answer (amended) by: **Mr. Pinard (for Mr. Winters):**

1. Yes.

2. Clarence F. Lynch, $15,500; Mrs. Annie Cripps, $8,500; Wm. J. Kerr, $4,000.

SOLDIER SETTLEMENT BOARD CONTRACTS

Question No. 108—**Mr. Smith (Battle River-Camrose):**

As at December 31, 1955, how many veterans of great war I, holding contracts under the soldier settlement board, were in the age groups: under 50 years; 50 to 55; 56 to 60; 61 to 65; 66 to 70; 71 to 75; 76 to 80; 81 to 100?

Answer by: **Mr. Lapointe:**

Under 50 years	Nil
50— 55 years	Nil
56— 60 "	27
61— 65 "	29
66— 70 "	9
71— 75 "	4
76— 80 "	3
81—100 "	Nil

Note—The above figures do not include veterans who hold contracts on a civilian basis.

MARGARINE—EDIBLE OILS

Question No. 130—**Mr. Bryce:**

What quantities of edible oils are being used in the manufacture of margarine in Canada, by provinces?

Answer by: **Mr. Howe (Port Arthur):**

CONSUMPTION OF OILS IN MARGARINE AND SPREADS, BY PROVINCES, 1955

—	Ontario	British Columbia	Other Provinces**	Total
	lb.	lb.	lb.	lb.
Vegetable oils—				
Coconut	6,169,998	*	1,960,788	8,130,786
Cottonseed	8,404,530	1,738,900	1,364,893	11,508,323
Palm and palm kernel	12,492,366	*	2,830,973	15,323,339
Soybean	27,394,323	3,190,681	4,031,474	34,616,478
Other	4,272,664	*	1,498,481	5,771,145
Total	58,733,881	4,929,581	11,686,609	75,350,071
Marine and fish oils	13,798,886	*	9,698,170	23,497,056
Animal oils—				
Lard	1,916,558	*	787,423	2,703,981
Other	190,403	*	6,628	197,031
Total	2,106,961	*	794,051	2,901,012
Grand total	74,639,728	4,929,581	22,178,830	101,748,139

* Included in other provinces to prevent disclosure of figures of individual firms.
** Combined to prevent disclosure of operations of individual firms which is forbidden by the Statistics Act.

LABOUR UNION CERTIFICATIONS, 1955

Question No. 139—**Mr. MacInnis:**

1. How many labour union locals, by provinces, were certified by the Canada labour relations board for the calendar year 1955?

2. What was the aggregate number of workers so certified?

Answer by: **Mr. Gregg:**

1. In the calendar year 1955 the Canada labour relations board issued 67 certificates to 35 international, national and local unions.

The bargaining units for which certificates have been issued are located in the following provinces or territories:

Newfoundland	2
Nova Scotia	2
Quebec	13
Ontario	6
Manitoba	2
Alberta	1
British Columbia	3
Yukon and Northwest Territories	12
More than one province	26
Total	67

2. The aggregate number of employees covered by the certificates issued was approximately 3,229.

DISABLED ALLOWANCE APPLICATIONS, B.C., 1955

Question No. 146—**Mr. Goode:**

1. What percentage of the applications received in British Columbia for disabled persons allowances, upon which decision had been reached at the end of 1955, were refused on medical grounds?

2. How many applications had been received to the end of 1955?

3. Of the total applications received (a) how many were granted; (b) how many are pending; (c) how many were refused on medical grounds; (d) how many were refused on other than medical grounds?

Answer by: **Mr. Martin:**

1. Less than 17 per cent.

2. 1,136.

3. (a) 720; (b) 208; (c) 159; (d) 49.

HOUSE OF COMMONS

Thursday, February 16, 1956

The house met at 2.30 p.m.

TELEVISION

PETITION REQUESTING PRIVATE STATION IN MUNICIPALITY OF BURNABY, B.C.

Mr. Speaker: I have the honour to inform the house that the Clerk has laid on the table the tenth report of the clerk of petitions. In connection with the petition referred to in this report, however, I received a memorandum from the Clerk which is to the following effect:

It is my duty to inform you that, although the petition presented by Mr. Goode on Wednesday last meets the requirements of Standing Order 70 as to form, it is irregular, in my opinion, on the grounds that it does not set forth a case in which the house has jurisdiction to interfere. See page 814 of May's Parliamentary Practice, 15th Edition.

This petition prays that this House may be pleased to take such measures as may be deemed expedient for the purpose of having the government of Canada and the Canadian Broadcasting Corporation consider the advisability of permitting the establishment of a private television station in Burnaby, B.C.

By virtue of the Canadian Broadcasting Act, chapter 32, R.S.C., 1952 and of the Radio Act, chapter 233, R.S.C., 1952, Parliament has decided that licences to operate private television stations shall be issued by the Minister of Transport, with the approval of the Governor in Council. The relevant sections of the respective acts read as follows:

Section 22(1) of the Canadian Broadcasting Act:

"The Minister of Transport shall before dealing with any application for licence to establish a new private station or for increase in power, change of channel, or change of location of any existing private station, or making any regulations or changes in regulations governing the activities of private stations, refer such application or regulation to the Corporation and the Corporation shall give public notice thereof in the *Canada Gazette* and shall make such recommendation to the Minister of Transport as it may deem fit; the approval of the Governor in Council shall be obtained before any licence for a new private station is issued."

Section 5(1) of the Radio Act:

"No person shall establish a radio station or private receiving station, or install, operate or have in his possession a radio apparatus at any place in Canada or on any aircraft registered in Canada, except under and in accordance with a licence granted by the Minister in that behalf."

It is my opinion that since Parliament has vested in the Governor in Council and in the Minister of Transport the exclusive authority to approve and issue licences for the operation of television stations, the House has no jurisdiction in such matters. See Citation 600 of Beauchesne's Parliamentary Rules and Forms, 3rd Edition.

Therefore, I maintain that according to the practice of this House, the petition should not be received.

I concur in the opinion given to me by the Clerk and therefore beg to inform the hon. member and the house that this petition cannot be received.

NATIONAL DEFENCE

ANNOUNCEMENT OF FURTHER REDUCTION IN FORCES IN KOREA

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, the house may be interested to know that a further reduction in the commonwealth forces serving under the United Nations command in Korea has been decided upon.

In so far as this country is concerned the present Canadian component of some 300 officers and men will be reduced to a small detachment of about 40 personnel of the Royal Canadian Army Medical Corps and the Royal Canadian Dental Corps. They will continue to provide medical and dental facilities to all commonwealth troops in Korea.

Our reduction will be phased in with that of other commonwealth countries concerned. These withdrawals are to begin next month and are to be completed as soon as practicable thereafter.

The commonwealth force then remaining in Korea will include a British infantry battalion and supporting detachments from Canada, Australia and New Zealand. This force will be known as the commonwealth contingent, Korea, and will retain its identity under the United Nations command.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask the minister if there are any Canadian casualties in Korea at the present time?

Mr. Campney: I think not but I shall inquire.

INQUIRY AS TO INSTALLATION OF JET ENGINE IN FIGHTER AIRCRAFT

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, last Friday I directed a question to the parliamentary assistant to the Minister of National Defence which he took as notice. I wonder when I might expect an answer.

Inquiries of the Ministry

Mr. P. T. Hellyer (Parliamentary Assistant to the Minister of National Defence): On Friday last the hon. member asked the following question:

Is the Pratt and Whitney turbo jet engine a more advanced design than the K-57 to be installed in Canada's first supersonic fighter aircraft?

For obvious reasons I cannot go into details but the short answer to the hon. member's question is that the engine which is being considered for the first test CF-105 aircraft is of a more advanced design than the J-57, presumably the engine to which he referred.

Mr. MacLean: Mr. Speaker, I should like to ask a supplementary question. Can the minister or his parliamentary assistant state whether it is intended that this particular engine should be standard equipment in the CF-105?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I think if the hon. member had followed the answer just given he would have his answer. The parliamentary assistant said that the engine to which he was referring was to be used in the first of the new planes when they have been developed to that point. They are not the engines intended to be used when these planes are actually in production.

Mr. MacLean: I wonder if the minister is aware—

Some hon. Members: Oh, oh.

Mr. MacLean: —that advertisements are appearing in the press to the effect that this will be done. It leaves the implication that this is standard equipment.

Mr. Campney: I am not aware of advertisements having been placed in the press to that effect and I do not think that the question is relevant. I have had nothing to do with putting advertisements in newspapers in this connection.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—REQUEST FOR TABLING OF PUBLIC FINANCING AGREEMENT

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to ask the Minister of Trade and Commerce if he will arrange to table a copy of the undertaking given by Trans-Canada Pipe Lines Limited in regard to its method of public financing.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I do not recall such a document but I shall be glad to look into the matter. I think probably we have the information and, if so, I will table it.

[Mr. MacLean.]

STORMS

SUGGESTED ASSISTANCE TO BE GIVEN EUROPEAN NATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Is the government giving any thought to the possibility of Canada sending supplies or trying in some way to render help to the people of Europe in view of the suffering and loss of life being caused by the unprecedented weather in that part of the world?

Right Hon. L. S. St. Laurent (Prime Minister): I received notice of this question from the hon. member just before I came into the chamber. Of course everyone sympathizes with those who have suffered from the unprecedented weather conditions in Europe, but the information we have is very slight, scanty and insufficient at this time and it would be premature to try to come to any conclusion as to whether the situation does or does not require assistance from outside Europe.

EGGS

PRICES PAID TO PRODUCERS IN RELATION TO FLOOR PRICE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the right hon. Minister of Agriculture. Has the minister received any complaints that poultrymen are receiving below the floor price for eggs in Saskatchewan?

Right Hon. J. G. Gardiner (Minister of Agriculture): I have not.

Mr. McCullough (Moose Mountain): I should like to ask a supplementary question. I do not like to egg the minister into giving an answer, but I should like to ask him if he has received a copy of the article which appeared in the *Star-Phoenix* of February 9?

[*Later:*]

On the orders of the day:

Mr. McCullough (Moose Mountain): Now that the Minister of Agriculture has read the article I referred to, I wonder whether he would answer my supplementary question.

Mr. Gardiner: There is no answer I can give other than the answer I have given the hon. member on two or three occasions. The answer is that we offer 38 cents a dozen for grade A large eggs in storage at cold storage plants. If eggs are delivered there the prices board will of course make provision for storing the eggs subject to the fact that they

will take them over at 38 cents a dozen, if necessary, on December 1 next. But if the eggs are not delivered to a storage plant where they can be taken care of, of course the plan does not come into operation.

Again, in the province of Saskatchewan there has not been sufficient storage at times to store eggs, and I presume that with the high production at present that may be the condition. If there is no storage space in which they can be stored they must be shipped to Winnipeg or Calgary, and in either case it will of course cost something to get them there.

The last time that situation existed eggs were worth 27 cents a dozen at points out from Swift Current when they were being stored in Winnipeg at 38 cents. I am not at all certain whether or not the prices in the *Star-Phoenix* constitute breaking the floor, but there is a very simple way in which the floor price can be enforced. This government has no right to set the price for eggs in any province but we have the right to say that we will buy eggs at a particular price. We have said we will buy them at 38 cents in storage as of the 1st of December, and any provincial government can pass a law compelling the delivery of eggs on this basis without taking any chance of losing anything. The government of Saskatchewan can do that at any time.

HEALTH INSURANCE

REFERENCE TO ALLEGED STATEMENT RE DOCTOR-PATIENT RELATIONSHIP

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to ask the Minister of National Health and Welfare to state whether or not he was correctly quoted in the Calgary *Herald* of February 10 to the following effect:

> There will be "absolutely no interference" between doctor and patient under the national health insurance plan, health and welfare minister Paul Martin told this writer today.
>
> "This is one provision upon which I will absolutely insist," declared the minister.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, as my hon. friend knows, perhaps better than anyone else in this house because of discussions he and I have had, my own personal view, and I think the view of most people in this country, is that that should be the eventuating situation. Of course that matter is something that could not in any way be decided by the federal government as it would be up to each province to decide.

Mr. Trainor: May I ask a supplementary question. Would not strict adherence to such a principle completely disrupt medical education as it is carried on in this country?

Mr. Martin: My hon. friend is now quoting what two of his colleagues in Winnipeg said the other day. I can only say to him that he, and the two doctors in question, should address themselves to the proper jurisdiction, the provincial government.

[*Later:*]

Mr. Trainor: I should like to ask a question of the Minister of National Health and Welfare, supplementary to my previous question. In the light of his assertion of provincial jurisdiction in this matter, may I ask what particular provincial government he was representing in his press release?

Mr. Martin: I do not believe there was any press release in question. I assume the question my hon. friend is putting now is intended to be serious. On that assumption, he knows as well as I do that the provincial government in question in his case would be the government of Manitoba. Having said that, the hon. gentleman will have to determine whether or not the same principle applies to the two doctors he has in mind.

INQUIRY AS TO INCLUSION OF T.B. AND MENTAL CASES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister. In the submission of the health plan to the various provinces, were tuberculosis and mental cases included? If not, why were they not included, and is consideration being given thereto?

Right Hon. L. S. St. Laurent (Prime Minister): They were not included. For many years they have been recognized as a provincial responsibility and the submission that was being made was for the provision of additional services to those already in existence.

Mr. Fleming: May I ask a supplementary question? Does that exclusion apply to mental health patients in general hospitals or only to patients in mental hospitals?

Mr. St. Laurent (Quebec East): This is still a matter that has not been finally determined, but the intention was to exclude the mental hospitals that have been in existence for all time as provincial institutions.

Mr. Fleming: But not necessarily the mental health patients who are in general hospitals?

Mr. St. Laurent (Quebec East): Well, I am not a physician and I am not in a position to draw precise distinctions. It was intended

to make no change with respect to the provincial responsibility in regard to the unfortunate people who suffer from mental troubles nor with regard to the tuberculosis sanatoria.

THE VICTORIA CROSS

INVITATION TO CANADIAN HOLDERS TO PARTICIPATE IN ONE HUNDREDTH ANNIVERSARY

On the orders of the day:

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, on January 31 the hon. member for Wellington South (Mr. Hosking) inquired from me whether the government was considering sending Canadian war heroes who had been awarded the Victoria Cross to attend the ceremonies that will mark the creation of that military award next June. At that time I stated that an interdepartmental committee had been set up to get the necessary information and that I would be in a position to make a further announcement later.

I wish now to say that the United Kingdom government has advised the government of Canada of the celebrations planned in June of this year to mark the centenary of the Victoria Cross decoration and has expressed the hope that Canadian holders of the Victoria Cross will be able to attend.

The ceremonies include a service in Westminster Abbey on the afternoon of June 25, a review by Her Majesty the Queen of all V.C. holders in Hyde Park on the morning of the 26th, and a garden party in the grounds of Marlborough House that afternoon which will be attended by Her Majesty the Queen Mother.

Invitations to these functions will be sent upon request to three groups: (a) to each surviving holder of the Victoria Cross and one near relative; (b) to two near relatives of each posthumous recipient, one of whom must be the person to whom the medal was actually presented; and (c) to one near relative—parent, brother, sister, widow or child —of each deceased holder of the Victoria Cross.

The government of the United Kingdom has asked us to undertake the task of ascertaining the names and addresses of those eligible persons who would like to receive invitations. The interdepartmental committee to which I referred earlier has been charged with the responsibility of looking after this and other matters connected with the trip. This committee is endeavouring to contact by letter those eligible persons for whom we have addresses, to advise them of the celebrations and to ascertain if they plan to attend.

I would point out, however, that we do not have the addresses of all those who may be eligible to receive invitations and that some of the addresses we have may not be up to date. To ensure that no one is unaware of this centenary and the invitations which are available, the committee suggests that those who consider themselves eligible write as soon as possible to the deputy minister of the Department of Veterans Affairs. We hope, too, that the veterans organizations in Canada will help us to find those who are eligible and who, otherwise, might be missed.

Finally, in order to assist those who receive Her Majesty's invitations to attend the ceremonies, the government is making arrangements to provide free return transportation from their homes to London. It is expected that they will have approximately one week in England before commencing the return trip.

TRADE

CANADIAN REPRESENTATIVES AT INTERNATIONAL WHEAT AGREEMENT CONFERENCE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. In view of the fact that the international wheat agreement conference is to take place in Geneva on the 20th of this month, would the minister say who the representatives from Canada will be; are they being given specific instructions as to the limitations within which the prices shall be supported by them; and, finally, what are the prospects of Britain rejoining the international wheat agreement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the meeting at Geneva begins in the course of a day or two. Our delegation is headed by the associate deputy minister of the department, Mr. Sharp. However, Mr. Sharp cannot leave for there immediately and will join the delegation later. At the moment it is headed by Mr. McNamara, one of the members of the wheat board. Associated with him is Mr. Charles Wilson, who is one of the officers of the department responsible for wheat matters in Europe. There are also six farm advisers attending, including the heads of the three wheat pools, the head of the United Grain Growers, the head of the Canadian council of agriculture and the head of the Saskatchewan farmers' union. These six delegates are there now.

The instructions are generally that we would like to see the wheat agreement be continued much in the form that it is in today. We are not prepared to take any material reduction in the floor price. There is some flexibility in our views about the maximum

price. We will only be interested if a substantial quantity of wheat is included in the agreement. We think that about two-thirds of the wheat entering into the channels of commerce is the minimum that could be considered. Aside from that, the instructions of the delegation are to negotiate in the hope that a satisfactory agreement can be arranged.

INQUIRY AS TO PROGRESS OF NEGOTIATIONS WITH RUSSIAN DELEGATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce whether he will acquaint the house with the progress being made in the trade negotiations with the Russian delegation? Second, will he tell us whether any question of strategic materials is involved in these negotiations?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am quite unable to report on the progress being made except to say that the negotiations are continuing in a spirit of harmony. Materials of strategic importance are eliminated from coverage by the treaty. In other words, the security provisions of the treaty are adequate to deal with strategic materials.

EXTERNAL AFFAIRS

UNNECESSARY DELAY OF UNION OFFICIALS BY UNITED STATES AUTHORITIES

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to address a question to the Secretary of State for External Affairs. Is he in a position now to answer my question of February 10 when I referred to certain charges having been made that Canadian citizens were subjected to unnecessary questioning by United States immigration authorities while on the way to a conference in Seattle?

Hon. L. B. Pearson (Secretary of State for External Affairs): Yes, Mr. Speaker, I am in a position to answer the hon. member's question which dealt with complaints made by representatives of the united fishermen and allied workers' union against the United States immigration authorities. These complaints alleged, as my hon. friend has stated, that union delegates to meetings in Seattle had been unnecessarily delayed and questioned by United States authorities at the border.

I may say, Mr. Speaker, that the secretary of the union earlier had forwarded a similar complaint to me. In my reply to him I pointed out that the immigration authorities of any country have a right to question persons who are seeking entry to that country, but I asked the secretary of the union for more specific information on the particular incident of which he had complained without giving details, in order that we could decide whether the incident in question warranted a protest or intervention in Washington. Thus far, Mr. Speaker, I have had no reply to that communication.

I might also say, Mr. Speaker, that the agreements between Canada and the United States which established the international halibut commission and the international Pacific fisheries commission do not obligate either member country to grant special entry privileges for persons, such as members of fishermen's unions, who are eligible to be present at meetings of these commissions but who are not, of course, members of the commissions.

SHIPPING

REQUEST FOR INSTALLATION OF FOG ALARM AT HORSE ISLANDS, NEWFOUNDLAND

On the orders of the day:

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, yesterday I undertook to answer a question asked by the hon. member for Comox-Alberni (Mr. Barnett) as reported at page 1201 of *Hansard*, and having to do with a request for the installation of a fog alarm at Horse Islands, Newfoundland.

I wish to point out to the hon. member that, according to my information, there is more than one island known under that name in Newfoundland. However, a search of our files would indicate that no such request for any of these islands has as yet reached the department.

REPORTED SINKING OF DEPARTMENTAL VESSEL "HILUNGA"

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Acting Minister of Public Works. Will he give to the house details of the reported sinking this morning of the Department of Public Works vessel *Hilunga* off the Queen Charlotte islands?

Hon. Roch Pinard (Acting Minister of Public Works): The hon. gentleman informed me before I came into the house he intended to ask this question, but I have not yet received a final report. The preliminary report would indicate that it is correct that an inspection boat was lost off the coast of British Columbia. Fortunately, the report would indicate also that it would be fair to assume

there was no loss of life. Officials of the department expect to receive a final report tomorrow and it will then be made available to the hon. gentleman and the house.

Mr. Colin Cameron (Nanaimo): I should like to direct a question to the Minister of National Defence in connection with the same mishap referred to by the hon. member for Comox-Alberni. Can the minister tell us if any R.C.A.F. planes were available for rescue service in this instance, and if any of them proceeded to the scene of the wreck?

Hon. R. O. Campney (Minister of National Defence): I will take the question as notice.

DISABLED PERSONS

INQUIRY AS TO REPORT OF NATIONAL ADVISORY COMMITTEE

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Minister of Labour. Is the minister in a position to make any revision in the reply he made to my question of February 8 with reference to the report of the national advisory committee on the rehabilitation of disabled persons?

Hon. Milton F. Gregg (Minister of Labour): No, Mr. Speaker. However, I should like to take advantage of the occasion to enlarge on the answer that I gave at that time and to say this. The day before my hon. friend asked her question, a delegation from the national advisory committee on the rehabilitation of disabled persons met with my colleague the Minister of National Health and Welfare (Mr. Martin) and myself and presented a report which had been prepared by the national committee. After they had presented that report to us and asked us to take it under consideration, it was suggested that when we had a chance to make a comment on it, that comment might be referred to the main committee; then a decision could be reached as to whether or not the whole report should be made public generally.

Mrs. Fairclough: May I direct a supplementary question to the minister? From the minister's remarks do I understand that it is not the intention of the government to make this report in its present form available to members of this house?

Mr. Gregg: If Dr. McNally's committee—and Dr. McNally is the chairman of the national advisory committee—desire to do so, there will be no objection whatsoever. However, I do not think that those reports that come from advisory committees—and there are many of them—should each necessarily be made the subject of tabling in this house.

[Mr. Pinard.]

I should be glad to consult with my colleagues and, at whatever time appears to the committee to be appropriate, to make it available to those who wish to study it.

HEALTH AND WELFARE

REPORTED MALNUTRITION AMONGST OLD AGE PENSIONERS IN MONTREAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? Will the minister take note of the malnutrition and starving taking place in Montreal, particularly amongst old age pensioners, as reported in this morning's—

Mr. Speaker: Order.

Mr. Knowles: —Montreal *Gazette* on page 10.

Hon. Paul Martin (Minister of National Health and Welfare): The hon. gentleman knows quite well I am always ahead of him on these things.

Mr. Knowles: May I direct a supplementary question to the minister? If he says he is always a step ahead, will he tell the house what he has done about this tragic situation?

Mr. Speaker: Order. I have not heard the question but I rose merely to tell the hon. member that his first question should not have been asked.

UNEMPLOYMENT INSURANCE

REPORTED TIE-UP IN CAMPBELLTON AND EDMUNDSTON OFFICES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): I regret that I was unable to give the Minister of Labour notice of this question because I just received a telegram concerning the matter. What action, if any, is being taken to overcome the terrific tie-up and delays in the unemployment insurance offices in Campbellton and Edmundston?

Hon. Milton F. Gregg (Minister of Labour): I shall be glad to take notice of my hon. friend's question and look into the matter.

GRAIN

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

The house resumed, from Wednesday, February 15, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie

provinces to meet temporary financial difficulties arising from inability to deliver all their grain, and the amendment thereto of Mr. Johnson (Kindersley).

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, when the house closed at six o'clock yesterday I was at the point of drawing attention to the fact that the policy, or lack of policy as the case may be, followed by the present government with respect to the grain delivery crisis was in fact undermining the whole system of orderly marketing of grain in Canada.

I had drawn attention to the fact that in 1946 and subsequent years the government of Canada sold the idea to the grain producers of a stabilized system of marketing and that on the basis of their undertaking to market the grain through the Canadian wheat board and under the terms of the British wheat agreement and later through the international wheat agreement the grain producers of Canada were prepared to accept a ceiling price on their grain and in fact did accept a lower price than was offered on the open market at that time on the understanding that this was being done in the interests of stabilized marketing both from the point of view of price and from the point of view of supply.

What has transpired since then has indicated that the government has failed to carry out its share of the bargain, and the present grain delivery crisis with which this house is concerned and which is the reason for this bill which is now before us is only an indication that at the present time the government is attempting to get rid of the responsibility which it had taken on in good faith and which the farmer had accepted in good faith back in 1946.

I believe that this is one of the most important issues in relation to the legislation we are now discussing; that is, unless effective steps are taken by this parliament to assure to the grain producer that he shall receive cash for his grain and that he shall have an opportunity to deliver that grain within a reasonable length of time to the wheat board, then the whole principle underlying the question of orderly marketing will be seriously undermined.

That is one of the reasons why members of the C.C.F. group who have always stood foursquare for the principle of orderly marketing and the principle of the Canadian wheat board have so anxiously been following up this question to place squarely before this house and the country the dangers which may arise out of the lack of action on the part of the government to meet the responsibilities which are inherent in this whole question.

I think that if the government were prepared to give three assurances to the grain producers of Canada it would go a long way towards allaying the fears and anxiety which are very real and which I must assure the government are more real than is sometimes evident from the remarks made in this house across the floor from here. A genuine anxiety exists as to what the future holds for the Canadian grain producers.

If the government could give an assurance to Canadian agriculture that it is willing to accept the principle of parity prices, that in itself would go a long way towards allaying the anxiety under which grain producers of the west and farmers in general are now suffering.

If the government could assure the grain producer at this time that it is prepared to set a floor for export wheat of $1.55 a bushel and that it is willing to provide a floor price for domestic consumption which would be as close to parity as possible—at the present time it is calculated that it would be about $2.20 per bushel—that second assurance would go a long way towards allaying the fears which the grain producers have.

And, as a third assurance, if the government could assure the farmers that it is taking concrete and effective steps to assure that the grain which is now on the farms will be delivered or facilities will be provided for it to be delivered within a reasonable time to the grain elevators, that again would go a long way to allay those anxieties.

But as this debate has progressed to this point none of these assurances have been forthcoming. That is one of the reasons why I believe it would be advisable to place this whole question, the subject matter of this bill which is now before us, the whole question of how to get cash into the hands of the farmers who have produced the grain and are holding it available for delivery, which means that they have fulfilled their part of the contract; what is the best way in which to convert that grain into cash now, next year, the year after and so on. This bill as it now stands does not even begin to deal with that question.

It is a very narrow bill providing for guarantees to the banks. It has many weaknesses and therefore is completely unsatisfactory. I am sure that if this whole question were referred to the standing committee on agriculture and colonization, as is called for by the amendment now before the house, we would have an opportunity to call in representatives of the various farm organizations in Canada, of the three prairie wheat pools and of any other interested organizations, as well as other persons who had

some advice to offer and who, together with hon. members who are members of that committee, could hammer out an agricultural policy that would mean something, that would have some stability and some future, and not something made up of bits and pieces, of expediency. It would be something based on sound economic principles and sound agricultural principles. It is something which is overdue, it is something which is needed.

I find it most difficult to understand why hon. members who support the government, or members of the government, should take a stand against the acceptance of this amendment. All that the amendment asks for is that the whole question be referred to the standing committee which is constituted for that very purpose. Why do we have a standing committee on agriculture and colonization if it is not to deal with this kind of problem? Why should the government or the members supporting the government take the stand that that committee, which after all has a majority representation from the supporters of the government, which is made up of members from all sides of the house—why should that committee not be trusted to carry out the functions which it was intended to carry out?

I want to make a particular appeal to my colleagues from the province of Manitoba. We have not heard very much in this debate so far from members supporting the government from the province of Manitoba. Apart from the hon. member from Provencher (Mr. Jutras), we have not heard from any other hon. member. Most significant of all, we have not heard from the only minister in the cabinet from the province of Manitoba, the Minister of Justice (Mr. Garson). I would hope that before this debate is over he would take advantage of this opportunity to tell the house what in his opinion are the wishes and desires of the farmers of the province of Manitoba.

I want to make this appeal to them on this occasion. Let them vote for this amendment on its merits. It has been amply pointed out that there is no need whatever for the government or any supporter of the government to regard this amendment as a motion of want of confidence. The amendment calls for what I would consider to be an efficient and effective method of dealing with a problem which has many implications. We are asking that it be submitted to the proper committee of this house, a committee which incidentally has a member from Manitoba as chairman. Certainly he should be the last one to object to having this question placed before the committee where it belongs.

[Mr. Zaplitny.]

I appeal to them to approach the members of the government. I do not think it is too late to ask the government to change its mind on this question. It has changed its mind before. I remember not so many months ago when the government said, "Never, never, never" and then at the end said, "Well, hardly ever". The members of the government did change their minds and I think they should change their minds again.

I appeal to my colleagues from Manitoba. For example, does the hon. member for Churchill (Mr. Weaver) think that the farmers in the Swan river valley are in agreement with the subject matter of this bill as it now stands, or does he think that perhaps they have something better to offer? I would ask the Minister of Justice if he thinks that the farmers in the area of Minnedosa, for example, are in favour of this bill. If he is in any doubt at all, all he has to do is to refer to the press clippings to refresh his memory.

I would ask the hon. member for Portage-Neepawa (Mr. Weir) if he thinks the farmers of the Portage plain are content with the legislation the government is now proposing and if they have not already expressed themselves rather strongly in favour of a different method, namely the method of cash advances suggested by the C.C.F. I would ask the hon. member for Lisgar (Mr. Pommer) whether the farmers in his constituency are satisfied with this bill.

I need hardly ask the hon. member for Springfield (Mr. Weselak) what the farmers in his constituency think, because along with the hon. member for Brandon-Souris (Mr. Dinsdale) I had the privilege of attending a meeting at which the hon. member for Springfield was also present which was held in the town of Beausejour in that constituency. It was a most interesting and I think most effective meeting. The farmers who gathered there left no doubt in anyone's mind, including the mind of the hon. member for Springfield, as to where they stood on this question of cash advances as opposed to this bank loan bill.

I ask those hon. members who represent the farmers of Manitoba along with the rest of us whether they feel deep down in their hearts that they are doing the right thing by the people whom they represent, either by keeping silent or by acquiescing or giving approval to this bill, which is simply a cheap substitute for what the farmers are really asking for. If they are not satisfied, and I am sure they are not and they know the people whom they represent are not, then I think it is their duty as members of this

house, as representatives of western agriculture, not only to say so on the floor of this house but to say so in caucus and directly to the ministers who lead this government.

They should tell them that on this occasion it is the desire of this house, the desire of the membership of this house, that we have a free vote. I ask the government to call off the whips, to remove the shackles of unquestioning approval which they always seek from their supporters, or acquiescence, and on this occasion allow them to express themselves on this amendment both verbally and by their votes, on the basis of what they actually feel is the opinion and desire of the people whom they represent. Let this parliament carry out its function as a democratic parliament, let it not be regarded merely as the tool of a tyrannical ministry.

I think one of the measures of the greatness of any statesman in any government is the ability to change his mind when he feels he has made a mistake. We often hear eulogies of praise for Sir Winston Churchill, one of the outstanding statesmen of the day. Those who have read even his own words about his own life have been struck by the number of times he changed his mind about most serious matters in his own country and in the international sphere. It is perhaps a measure of the greatness of a man who is big enough to admit that under changing circumstances and conditions he is willing to revise his opinion.

I think that that would be a wise move on the part of the government today. Certainly this debate, if it has indicated anything, has indicated that the government has made a comedy of errors right down the line. They started out wrong to begin with. Last fall when this issue became a live one on the prairies—it did not come up overnight—as soon as the new crop year began on August 1, 1955, the farm organizations and members of parliament from the west were already warning the government that there was going to be a serious grain delivery crisis affecting the prairie farmers. The government knew, certainly as early as mid-September, that something would have to be done by this parliament to provide some system under which the farmers could obtain cash in order to convert their surplus grain or grain in storage into cash in order to carry on with their farm operations.

The wise thing to have done, the democratic thing to have done, was to call a special session of parliament in the middle of October or early in November. The members of this house could have devoted their time and their energies to the solution of that problem in a democratic fashion. The committee on agriculture could have been called together immediately. Representations could have been heard from the various farm organizations across Canada, instead of having to hold a grain conference in Saskatoon. They sent a small delegation to Ottawa to interview the cabinet, and to this day nobody seems to have the full version of what transpired at that meeting. We hear claims and counter claims. We hear that a certain minister of agriculture—for example, our own minister from Manitoba, who left Winnipeg fully instructed by his caucus to ask for cash advances for grain—somehow along the way, by the time he got down to Ottawa, found he was satisfied with bank loans.

All these things have become a mass of confusion through the inactivity of the government and its failure to call a special session of parliament in order to meet the problem at the time it was developing. Now the time has passed, and we are trying to deal with something that should have been dealt with four or five months ago and which could have been much more effectively and intelligently dealt with at that time with the advice of the farm organizations and the wheat pools, which was available to us at that time.

Even now, while the members supporting the government try to convince us that this bill before us is what the farm organizations asked for, we find that the Liberal leaders of the various provincial sections seem to contradict that very statement. Some of you may have been watching television yesterday evening. There was a program called "Press Conference" in which the leader of the Liberal party of Alberta, Mr. Prowse, appeared. Among the questions before the panel was the question of cash advances versus this present bill. Under close questioning the Liberal leader of that province stated quite categorically that he personally was in favour of cash advances and he was not satisfied with the present bill, although he did try to make a sort of lefthanded justification for it by saying that after all the only farmers who will really bother to apply at all under this legislation are the ones who desperately need it and so it would not involve many people anyway. In other words, he tried to justify it by saying it would not be used much anyway and so it did not matter, but he was careful to place himself on record as being in favour of cash advances. One can understand his caution. Considering what has happened in the past to Liberals who have appeared on television, I think he is to be commended for his caution.

Mr. Knight: The hon. member for Rosthern says the same thing.

Mr. Zaplitny: The humorous incident that occurred in Manitoba some weeks ago was a shot that is still echoing from the lakehead to the foothills. It is still bringing letters and comment. The hon. member for Humboldt-Melfort (Mr. Bryson) has just received a letter with a good Canadian dollar bill attached, and I assure all members of the house it is an authentic bill. The letter says:

Dear Sir,

Here is one good Canadian dollar towards replacing that busted T.V. set. The laugh was worth it.

It is signed:

Yours truly,
Disgusted Liberal.

Mr. Knowles: The woods are full of them.

Mr. Zaplitny: That is an indication of what even the former adherents of the party that is in power are feeling about this question, to say nothing of those who never voted Liberal.

Mr. McIvor: That means he is not hard up.

Mr. Zaplitny: I said a moment ago that there was a general feeling by all the farm organizations now, particularly in our province, with which I am more familiar, that this bill is not acceptable. I should like to give some of the opinions included in a submission to the government by the interprovincial farm unions council, which I believe was submitted to the government today—

Mr. Speaker: Order.

Mr. Zaplitny: —in which they set out some of the reasons why they think this bill would not be acceptable.

Mr. Speaker: I am sorry to have to interrupt the hon. member to remind him of a rule that I quoted yesterday in connection with reading opinions of people outside this house, contradicting what has been said in this house or reflecting on our proceedings. I refer hon. members to citation 265, which says:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

The hon. member should express his own views and not introduce, as I said yesterday, a two hundred and sixty-sixth member into the House of Commons.

Mr. Zaplitny: Thank you, Mr. Speaker. It just so happens that the views expressed by the interprovincial farm union were so identical with the ones I hold that I merely referred to that fact. The reasons why, in my opinion, this bill does not do what is required, are several. For example take the banking facilities. It is pointed out that in the province of Saskatchewan there are 1,200 shipping points for grain but only 196 points that are served by banks. In the province of Alberta there are only 159 points with banking facilities, and in Manitoba only 91 points with banking facilities. The whole question of cash advances could have been, and may still be, handled through the wheat board and the elevator agents, which would make it possible for any farmer at any shipping point to go to his elevator agent with his permit book and get his advance. Instead of that they are being asked to seek the services of the banks where facilities are not so widespread and also where there is no guarantee or assurance that any particular farmer will obtain the loan he seeks.

One of the great disabilities is the fact that not only is there a form to be filled out in order to establish the farmer's credit but also there are deductions to be made from the grain he has already delivered. As I believe the hon. member for Mackenzie (Mr. Nicholson) pointed out the other day, in many cases farmers with sufficient grain on their farms to warrant a good credit standing, but who may have been fortunate enough to deliver some of their quota before this date, find they are not able under this legislation to borrow one cent because of the deductions that have to be made first from the grain they have already delivered before they can apply for a further loan.

Then there is the whole question—and perhaps it is a very important consideration—of the experiences that farmers have had with banks and with loan and mortgage companies in the past. I hope they have not all been unhappy experiences, but unfortunately we know that in the prairies many of the experiences in the past have been very unhappy. Farmers have borrowed in good faith, in times when the grain was worth something, a relatively small amount of money, $600 or $800. Then the grain prices fell seriously, and they had to pay back the dollars they had borrowed with production that had to be doubled in volume to provide for the same dollars. The farmer who borrowed at one time $800 found he had paid back $1,200 and, owing to the compound interest, arrears and so on, he still owed $800.

All these experiences have not been forgotten and the farmers are wondering why it is that the government insists that those who can obtain loans be forced to go again

to the banks and have to pay 5 per cent interest when as a matter of fact the government has a moral responsibility, if not a legal one, to accept grain deliveries, provide facilities for those grain deliveries and provide the farmers with the cash they have already earned. I therefore hope that the private members who sit opposite us and support the government will on this occasion assert their responsibility and authority in the house by speaking to the ministers of the cabinet and asking them to declare a free vote. Let us have a free expression of opinion. If that is done I think there is no doubt that hon. members will find it wise to accept the amendment referring this matter to the committee that has been established to consider such questions so that it may find a lasting solution to this important problem.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise for the purpose of dealing with certain questions that have arisen during the last few days, to reiterate my opposition to the bill now before the house, and to give reasons why the amendment should be supported. I go back to the legislation of 1951. I have heard about this act on many occasions. The minister has mentioned more than once in the house that the act of 1951 entitled "The Prairie Grain Producers' Interim Financing Act" was unsuccessful and achieved very little in providing credit for western farmers. One of the major reasons for that failure was the fact that it was studded with iniquitous provisions for enforcement. One of those iniquitous provisions in the act of 1951 was this:

> 9. (1) A person who
>
> (a) states in his application an estimated quantity of crops or grain or an estimated amount that he knows to be false; or
>
> (b) makes any other statement in his application that is false in any material respect;
>
> is guilty of an offence and liable on summary conviction to a fine of not less than twenty-five dollars and not more than five hundred dollars.

In addition, under subsection 2 upon conviction he shall be ordered to pay a penalty equal to the amount of any guaranteed loan made by him in respect of which the offence was committed as has not been repaid by him, with interest thereon to the date of the conviction. That was the first occasion in my experience that imprisonment for debt was made part of the laws of this country since imprisonment for debt was abolished many, many years ago. That section in its original form is intensified in the new bill. It is unjust and unfair. Indeed, Shylock himself could learn how to extract a pound of flesh by simply reading the sections dealing with penalties in the present bill which make every farmer who makes a mistake in the forms he has to complete liable not only to a fine and, in default, imprisonment, but in addition a penalty to the extent of the amount of his loan. Why that was continued in the present legislation is beyond me.

That is one of the reasons why the 1951 act did not operate. When this party took the stand the other day on the resolution stage that it would support the introduction of the measure with a view to ascertaining what the bill was, nobody here or anywhere else had any belief that the government would include such provisions in the bill as have been included.

I am going back a way to deal with the circuitous course taken by the government and in particular by the minister himself in connection with the matter. First of all, the Prime Minister (Mr. St. Laurent) said that the farmers did not really need money, and I think the Prime Minister is still the head of the government although there are others who doubt it. According to him, no money was needed. The farmers are not asking for much. Ridicule was heaped upon those who attended meetings in western Canada. Only today a representation was made by the interprovincial farm union council of the western provinces which indicates the almost universal demand for cash advances on farm-stored wheat everywhere throughout the west. I read from that representation, for it represents the facts:

> Scores of mass protest meetings, resolutions and petitions that have developed spontaneously throughout the west accurately indicate the degree of dissatisfaction felt in rural areas regarding the guaranteed bank loans on farm-stored grain. It is felt almost unanimously that farmers should not be asked to burden themselves with added debt and interest charges because wheat is not being sold at a sufficient volume to enable the farmer to maintain his cash position.

Then they go on to point out the weaknesses of this procedure. As was indicated in his concluding remarks by the hon. member who has just taken his seat, it all results from the failure to call parliament together. It is the old, old game. When in doubt pass an order in council. Sometimes do not even bother to pass an order in council, just believe you did and proceed to act accordingly. You find out afterwards that you did not even go to that trouble because, after all, if you can legislate by order in council behind closed doors it is so much easier to save the trouble of passing an order in council. I continue with the representations of the farm union council:

> Banking facilities are not readily available in many parts of the prairie provinces.

I am not going to follow that any further because that point has been dealt with.

> The amount of red tape involved in securing acceptance of a bank loan application is so great

as to discourage all but the most persistent, and eliminates a good percentage of those who might otherwise qualify.

It were easier, Mr. Speaker, for a camel to go through the eye of a needle than for anyone to pass the catechism and examination that is required in order to secure a loan. I repeat what I said the other day. The banks are turning down applications as soon as they find out the uses that are to be made of the money in the event they decide that the use is one that does not come within the ambit of the legislation.

The first excuse given by the government was that the farmers did not need money, that all was well. When that subterfuge and distortion of the facts was unsuccessful the right hon. gentleman produced the next story. He said that what these people who support cash advances are trying to do, indirectly or possibly directly, is to destroy the wheat board. There was a bogey! They really had one there. I am going to read the minister's words as found at page 127 of *Hansard* of January 16. He said:

> The chairman of the board has been in the service of the government for 25 years, his duties associated solely with the marketing of western grain. Associated with him are three very able men who share in the work of the board. I can tell the house that, if the government instructed the wheat board to lend money on farm-stored grain and assume the responsibility for the lending of that money and its subsequent collection, the four members of the wheat board would be out of office within a matter of days.

Mr. Deputy Speaker: Order. Did I understand that the hon. member was reading from page 127? He will realize that is a different debate of the same session.

Mr. Diefenbaker: I am sorry, Mr. Speaker. I should have summarized it. To summarize the minister's words, he said: "I can tell you that if this happened the wheat board would be out." Of all the unmitigated nonsense that the minister has brought forth, that indeed wins prize No. 1. I tried to find out what had been done in this connection and the only way I could find out was simply by asking a question to ascertain what the situation was. As appears at page 992 of *Hansard* I asked these questions:

> 1. Did the chairman or any members of the wheat board notify the government at any time since July 1, 1955, that they would resign within a matter of days if cash advances on farm-stored wheat were brought into effect? If so, which of them did so?
> 2. What was the date or dates of said notification and were same given verbally or in writing?
> Answer by Mr. Howe (Port Arthur):
> 1. No.
> 2. Answered by No. 1 above.

I saw immediately that there was a loophole there because I referred to loans. So I redrafted the question in order to get the truth. Then to my surprise the Department of Trade and Commerce gave the same answer as reported at page 1096 of *Hansard*. The question was:

> 1. Did the chairman or any members of the wheat board notify the government at any time since July 1, 1955, that they would resign within a matter of days if cash advances on farm-stored wheat were brought into effect?

The answer given was no.

Mr. Speaker, that was just another of those self-created subterfuges by the right hon. gentleman to evade the demands of western farmers to have action in this regard. As a matter of fact, the minister and those associated with him, including the hon. member for Rosthern (Mr. Tucker), have been indicating that the western farmer really does not want this assistance, that the various organizations have not asked for it, that they are willing to accept loans and that they are not in favour of cash advances. May I just say this. It is a funny thing that we cannot get answers to the questions that we ask which will establish whether or not the western farm organizations are asking for this assistance. On January 26, the hon. member for Assiniboia (Mr. Argue) asked the following question and it was passed as an order for return:

> Motion No. 4—Mr. Argue:
> For a copy of all correspondence, letters and telegrams, from August 1 to December 31, 1955, exchanged between any department of the government and any person or persons with respect to advance payments on farm-stored grain.
> Mr. Howe (Port Arthur): There are thousands of pieces of paper reflecting on this question. It would save a great deal of work if my hon. friend would examine them in the office, or if he would select the ones he wants tabled. I do not think he wants all of them tabled: it would be very expensive for the government.
> Mr. Speaker: The motion will stand in the meantime?
> Mr. Howe (Port Arthur): Perhaps it could be passed with that understanding.
> Mr. Argue: That is agreeable, Mr. Speaker.
> Mr. Speaker: Motion agreed to.

That was a rather big order. So I decided it would be easier to ascertain whether the western farm organizations were asking for this assistance. I then asked:

> For a copy of all resolutions supporting the demand for cash advances on farm-stored wheat which have been received from western farm organizations and other public bodies, by the prime minister and any of the ministers of the government, or officials of the government, since the 15th day of August, 1955.

It would have been so easy to answer that question. They say that there are not many organizations asking for cash advances. I say to the government: Produce that material. I challenge the government today to

table that return. It will answer the arguments that are made across the floor of this house that the western farm organizations and public bodies are not asking for it.

The other day the right hon. gentleman indicated that it was the city folk who wanted cash advances. Let us have the return.

Mr. Dickey: Mr. Speaker, my understanding was that that return had been tabled. It is not being held up.

Mr. Diefenbaker: I asked about it today and my understanding was that it had not been tabled.

Mr. Dickey: If it has not been tabled, there is some error.

Mr. Diefenbaker: Will the hon. gentleman table it this afternoon?

Mr. Dickey: I will check on it.

Mr. Diefenbaker: That is fine. I shall have accomplished my purpose in having it tabled because it will show that the farm organizations in western Canada are, I was going to say, unanimously in favour of cash advances. If there are any exceptions, I do not know of them. When that return is tabled I think it will show that every responsible farm organization on the prairies is asking for this help, that various municipalities are asking for it and that the general demand comes from the people as a whole and not from these so-called disparaged city people of whom the minister spoke so condescendingly the other day. I say to the government, "Produce that return". Then when that return is produced we will know who actually represent the viewpoint of the western people. We shall know whether it is the few members of the Liberal party from the western provinces who today find themselves in a position of trying to alibi themselves out of a position imposed on them by the authority of the minister and who because of the fact that they are required to support it, are obliged to endeavour to raise arguments which they must realize are, to say the least, ineffective and, to say the worst, most specious.

Mr. Charlton: There is not one of them in the house now.

Mr. Dickey: Many of your members are missing.

Mr. Diefenbaker: The next point that was raised was that it would be impossible to have the wheat board officials pay out money, that a problem was encountered there, that they could not do it. It was said that they have not the necessary facilities in the wheat board. All one has to do is read the Canadian Wheat Board Act, section 25, subsection 2, which reads as follows:

> The board shall, if directed by regulation, pay to each producer at the time of delivery of wheat to the board, in addition to any other payment authorized by this section, a sum per bushel on account of storage of the said wheat on the producer's farm, for such period of storage as the board in its sole discretion shall fix for the purposes of such storage payment, which sum, however, shall equal the amount payable for storage in a country elevator for the same period . . .

And so on. In other words, there is in the law already a provision for these men that operate the elevators to make payments. Indeed, the whole argument falls flat when it is realized that these elevator agents who, the minister states, cannot be trusted or who are unable to pay out money, are going to be required to see that the money is collected whenever deliveries are made in order to assure that the banks shall not thereby suffer as a result of non-payment of the amounts of the loans.

Having regard to the type of answer that I received in connection with the wheat board, more and more we find in this house that the answers being given by the government, if not untruthful, are too often evasive. Indeed, many of the answers give the appearance of not providing that frankness that is necessary to be preserved in a democratic assembly. Many of the answers indicate that, before they come to the House of Commons, they have passed through the filter of political expediency. That is a serious matter in a parliamentary institution. First, there were these various excuses that were made. One was that moneys were not needed. The second was that the wheat board would resign. The third was that the wheat board did not have the necessary facilities. All of these excuses having been more or less removed, the right hon. gentleman the other day followed a new course, in threatening the independence of parliament. May I say this, Mr. Speaker. This has been an unusual session.

Mr. Howe (Port Arthur): You are back to the bill of rights, are you?

Mr. Diefenbaker: This has been an unusual session. We thought we fought the last battle in this regard last July. I think it was Junius who said, back in 1760, that freedom hangs by a thread. In Canada, it was a fishing line. Yes, we ultimately achieved the supremacy of parliament, but only through the abdication of the minister who left for other purposes.

Now, what does he do? Well, he threatens the independence of parliament. Have we an oligarchy here? Are the Prime Minister (Mr. St. Laurent), the Minister of Agriculture

(Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe), the oligarchy who dominate? Well, I simply point out that recently they had a meeting. Whenever the right hon. gentleman retires from politics I am hoping he will write a book on parliament, as I would like to see it. At that meeting in Ottawa on January 18, he gave his instructions as to what was to be done. I am not going to repeat what has been referred to before, but this is one particular thought that indicates the degree to which, with an overwhelming majority, this House of Commons is approaching a one-party state House of Commons. Here is what he said:

When the Prime Minister "lays down the party line, that has got to be it".

Mr. Howe (Port Arthur): He said nothing of the kind; you do not know what he said.

Mr. Diefenbaker: I am reading what he said.

Mr. Howe (Port Arthur): You are reading from what?

Mr. Diefenbaker: I am reading from the Ottawa *Journal*.

Mr. Howe (Port Arthur): A good Tory paper. That is its interpretation.

Mr. Diefenbaker: I am reading from the *Journal*:

When the Prime Minister—

And it quotes.

—"lays down the party line that has got to be it".

Then it went on to say—

Mr. Howe (Port Arthur): That is not a correct quotation, and I think I am in a position to know. I do not think the hon. gentleman has the right to question that fact.

Some hon. Members: Order.

Mr. Deputy Speaker: The hon. member who has the floor, of course, will take the minister's word for what was said on that occasion. I know he will do that. But while I am on my feet may I draw to the hon. member's attention that hon. gentlemen were saying "order" previously to my rising and I think they did so rightly because the remarks which the hon. gentleman was making were far removed from the principle of this bill. I must ask the hon. member to direct his remarks to this bill which is now before us.

Mr. Diefenbaker: Mr. Speaker, if the right of parliament to speak—

Mr. Howe (Port Arthur): To speak nonsense.

Mr. Diefenbaker: —is to be denied because the hon. gentleman does not want parliament to be free, we are indeed getting back to the position—

Mr. Deputy Speaker: Order. May I clear up this situation immediately. There is no question here of the right to speak. The hon. member has the floor and may speak as he wishes, but he will speak in accordance with the rules of this house. The rules of this house say that his remarks must be relevant to the subject under consideration.

Now, we are considering a bill which is entitled:

An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

On second reading of this bill, the supremacy of parliament and other abstract questions which the hon. gentleman has been attempting to raise have nothing to do with the principle of the bill and I must ask him to deal with the principle in a relevant manner.

Mr. Nicholson: On a point of order, Mr. Speaker, I think that to have the record straight you should read the amendment as well. We have an amendment before the house which should be on the record at this time.

Mr. Deputy Speaker: The hon. member is quite right. The amendment has been moved by the hon. member for Kindersley (Mr. Johnson) and seconded by the hon. member for Winnipeg North (Mr. Stewart) and is as follows:

That Bill No. 82 be not now read a second time but that the subject matter thereof be referred to the standing committee on agriculture and colonization.

I am sure the hon. member has been in this house for a long period, and I am sure he will agree with me on reflection that the remarks which he was making before I rose have little, if any, relationship to the bill or to the amendment.

Mr. Diefenbaker: I have always tried to follow the rules of the house, and when you speak of relevancy then I ask, sir, with the greatest deference, was it relevant the other day for the right hon. gentleman to try to browbeat parliament?

Some hon. Members: What?

Mr. Diefenbaker: Was that relevant?

Some hon. Members: Order.

Mr. Diefenbaker: I come now to answer that irrelevancy, if you will. However, these remarks are relevant to whether or not the amendment to which my hon. friend has made reference, that this matter be submitted to the agriculture committee to the end that the house may determine in that committee after representations are heard whether or

not this legislation does meet the needs of the western farmer today. With greatest respect, sir, I bow to your ruling, but I do say this. If in the discussion of a bill a minister, in order to steamroller it through the house, threatens parliament by saying what he will do, he will not let the western farmer get any money until June or July, then I think it is time for someone to continue to speak in parliament. After all, if we are to be silenced after that threat, we will become, in effect, robots.

Mr. Howe (Port Arthur): If the hon. member cannot make a speech without misquoting me, then it is a great pity.

Mr. Diefenbaker: The minister would speak about the independence of parliament. The other day he said, what is there to debate? There is nothing to debate there. I have lost my patience. There was a Louis who once said, "L'État c'est moi".

Mr. Howe (Port Arthur): If the hon. member is going to quote me let him turn up *Hansard* and indicate where I said all those things.

Mr. Diefenbaker: I was going to tell him about Louis. He said "L'État c'est moi". The right hon. gentleman would amend it to read "La Chambre des communes, c'est moi". That is what I am protesting, the right hon. gentleman trying to force it down the throat of parliament. I have had my say.

Mr. J. H. Dickey (Halifax): In entering this debate immediately after the remarks of the hon. gentleman who has just sat down, Mr. Speaker, I do so for the purpose of answering an inquiry that he placed before the house. He suggested that every substantial farm organization in western Canada had clearly and unequivocally demanded the introduction of a system of cash advances on farm-stored grain. I understood from his argument that he meant these farm organizations had all asked for these advances to be administered and made by the Canadian wheat board.

Well, I do not know what the hon. member's opinion of a substantial farm organization in western Canada is, or whether the organizations to which I am going to refer in a moment come within his definition of major substantial farm organizations. In my opinion, they do. For example, the United Grain Growers, at their meeting, had a resolution placed before them which was defeated and that resolution was in the following terms:

> Be it resolved that the board of directors urge the initiation of studies of possible machinery for the purpose of making advances to farmers on farm-stored grain.

The fact that that resolution was defeated and that no other resolution was adopted by that meeting of the United Grain Growers asking for any such system is, I think, a clear indication that that substantial farm organization is not clamouring for the kind of policy that the hon. member has been advocating.

An hon. Member: One of its directors got a promotion.

Mr. Dickey: I do not know what his opinion of the Alberta wheat pool is but at the annual meeting of the Alberta wheat pool no resolution was passed concerning advances on farm-stored grain. However, in the December 16 issue of the *Wheat Pool Budget* which is a weekly bulletin issued by the Alberta wheat pool the following appears. It is a report of the annual meeting of the delegates of the Alberta wheat pool and it sets out 12 specific policies which the delegates advanced as the policy of the wheat pool in connection with the marketing of grain. Not one of those twelve policy statements contains any reference to the kind of system that the hon. member has been telling the house has been demanded by every major farm organization, but after listing the 12 points of policy the following appears:

> Delegates felt that advances on grain, whether interest free or otherwise, were only an emergency measure and would offer no solution to marketing problems. They believe that farmers who finding it necessary to borrow should get as favourable interest rates as possible but they did not ask that the wheat board become involved in the loaning business for fear of jeopardizing its usefulness as a merchandising agency.

Mr. Diefenbaker: It says, "in the loaning business".

Mr. Dickey: Yes, "involved in the loaning business". That is the point of view which the hon. member was characterizing this afternoon when it had been stated by the Minister of Trade and Commerce as a suggestion that did not deserve any consideration. However, it comes from what I believe to be a very responsible and substantial organization of western farmers.

I do not know either what the hon. members' opinion is of the Canadian federation of agriculture, but I think that is not only a substantial organization of western farmers but that it represents farmers across Canada. On Tuesday, February 14, the Canadian Federation of Agriculture made its annual presentation to the Prime Minister of Canada and to the members of the cabinet.

As all hon. members know, that is the occasion on which the Canadian Federation of Agriculture has the opportunity of bringing to the attention of the Prime Minister and

of the government the policies that they believe should be adopted for the advantage of farmers and the progress of agriculture in this country. The federation dealt in a general way with the problem of grain marketing. They said, for example, and I quote from page 9 of their submission:

> The difficulties and problems faced by the wheat industry in Canada today, real though they are, give us only a small inkling of the trouble we would be in in the absence of these orderly marketing policies.

In their general representations they dealt with the present heavy stocks of grain at page 3, as follows:

> The heavy stocks of grain have been largely due to a favourable series of crop years, and these stocks are being handled in an orderly way in so far as conditions in the rest of the world permit.

That submission shows that the federation of agriculture is aware of the problem which exists in connection with the marketing of grain and it has a full appreciation of all the mechanisms which exist for the marketing of grain, but in their submission they did not advocate or suggest the kind of policy that the hon. member for Prince Albert (Mr. Diefenbaker) and the hon. members of the C.C.F. group and other speakers from the opposition have been advocating, namely the intervention of the wheat board in any system of cash advances or loans.

Mr. Diefenbaker: Not loans.

Mr. Dickey: I submit, Mr. Speaker, this indicates that substantial organizations of farmers, organizations which have in mind the interests of the wheat growers of western Canada and the farmers of Canada generally, are not unanimous by any means, as has been suggested, and that they regard the policy as outlined by the hon. member for Prince Albert and other opposition spokesmen as anything but the ideal solution.

Mr. Knowles: Tell us what the farm unions said today.

An hon. Member: What about the other organizations?

Mr. Dickey: I am not denying there are farm organizations which have made statements which are in accord with the arguments that have been presented. I was simply trying to indicate by quotations that the statement which has been made to the effect that the farm organizations are unanimous and are clamouring for this other policy is not in accordance with the facts.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I want to take a few brief moments simply to underline and endorse the themes which my farmer colleagues have been presenting, and when I say "farmer colleagues" I mean just that, because we are fortunate that in discussing this particular question we have in our group some young and active farmers. The house may judge for itself whether or not they have proved that activity in this particular debate.

There is one respect in which we are fortunate in this debate and in which we are not always so fortunate, and that is that we have been able to get directives from our constituents. I do not suggest that we always take directives from our constituents but we certainly consider what they have to say and this is one debate in which we have had ample opportunity to assess the opinion of various sections of the community in regard to the particular piece of legislation which has been amended by the motion that we have moved.

The things I do want to say today, and I say it with all sincerity and earnestness, is that the bill does not reflect in either its letter or spirit the decision of the Saskatoon conference, discussion of which has occupied some time in this present debate.

You know, farmers in western Canada are blamed for many things. One example of this was advanced to me in a letter from a farmer in eastern Canada. He said the farmers in the west have already received too much consideration; they talk about $65 million. Well, we dealt with that the other day. Our eastern friends are liable to forget that that $65 million was given in lieu of moneys which the farmers would have received under other circumstances during the period of the war.

Another reason I was asked to support this bill, and this is a peculiar reason, is that some eastern farmers say that the western farmers send down to them rubbish feed with which to feed their livestock. I shall take just one moment to answer that particular item because it is important to the people in the maritimes and the mid-Canada provinces.

As far as this question of feed is concerned, when the farmer delivers his wheat to the elevator the screenings pass out of his ownership into the hands of the elevator company. If my hon. friends in eastern Canada want pure feed grain, and I do not see why they should not have it, then I suggest that they buy directly from the wheat board or from the grain companies. They can buy No. 3 barley or No. 1 feed oats or whatever it is they want on the Winnipeg market, under government certificate, have it brought down to eastern Canada, build their own storage on a co-operative basis or some other method, grind the grain and distribute it among their

members. Then they would not be depending upon the grain dealers who are presently selling them a mixture of wild oats, pigweed and buckwheat, as I have seen being fed to pigs in Prince Edward Island. However, I imagine I will be out of order if I pursue that any further.

Coming back to this main question, I say to the Minister of Trade and Commerce in all sincerity that I think he made a tremendous mistake when he attributed to us, and I am sure equally to other members in this house, a political motive in opposing this legislation. After all, everything we do in this house is political. I understand politics to be the science of government. If any political praise is due because of what we have done, that is fine.

I say in all sincerity that I think the minister is vastly mistaken. As I said when I opened my remarks, we have had time to make contacts in a way the minister has not. We have been able to get the real opinion of the people of the country in regard to this measure. I know I can only interpret what the minister was thinking, but my interpretation is that he felt that in our hearts we realized that this bill was better than nothing, that we were simply opposing it for political purposes and at the last moment would throw up the sponge and say, "Yes, we will vote for it because it is better than nothing."

We do not think it is better than nothing. We do not say that it is vicious legislation, but we say it is silly and useless legislation. It is taking the place of legislation which would better meet the wishes of those who are so greatly concerned. Somebody said the other day that we should not indulge in humour when dealing with a matter as serious as this, but I say in all sincerity to the minister and the government that in western Canada this legislation is considered as a joke.

There are many retired farmers in my constituency but there are also active farmers there because my constituency runs south of the city. Saskatoon is the headquarters of the Saskatchewan farmers' union and we are in contact with farming people. Our very life depends on the success of the farmers who are contiguous to the city. We are the distributing point for goods and services to meet the needs of farmers all over northern Saskatchewan. I have not met one farmer who actually said to me that he thought this legislation was good, and I have not met anyone who said that he thought this legislation was better than nothing.

We have a good deal of labour in our city and I am glad to say that the labour unions are expressing a good deal of sympathy for their fellow men in the farm union. Several of the labour organizations got together and passed a resolution attacking this particular legislation as it was forecast on the radio and in the press before it was brought in. They realized that their prosperity depends upon the prosperity of the farmers.

What about the political parties? The Liberal party in Saskatchewan has done a pretty good job of covering up. We have had an example of that in the house here in the various speeches by the hon. member for Rosthern (Mr. Tucker) who has tried to make out that in fact this is what the farmers have asked for. But the Liberal association in Saskatoon does not think that this is what they want. I have the record in my hand but the previous Speaker said that we are not allowed to read these things and therefore I shall not attempt to do that. That Liberal association in meeting was severely critical of the right hon. Minister of Trade and Commerce and furthermore they said that if they were supporting a bank loan, and being a Liberal association they said they would support a bank loan, they criticized the rate of interest as being much too high.

Speaking of politics, a Liberal convention at Souris-Estevan met together to nominate a Liberal candidate. What did they do? They nominated the sitting Conservative member who said to them, and I am quoting his words, "I am a Conservative." However, they let it go at that. So much for what people think about this particular legislation.

I want to come back to this question of what really did go on at the Saskatoon conference as I think that is the crux of the argument put forward by the hon. member for Rosthern. I should like to quote what the hon. member said, as reported on page 1159 of *Hansard* of February 14. The hon. member was speaking in this particular debate and he said:

> I told this house, and it was objected to over and over again by the C.C.F. opposite, that this marketing conference had unanimously endorsed the idea of cash advances, but it left open the whole question of the mechanics by which those advances should be made.

That was the Saskatoon conference the hon. member was talking about.

> Hon. members will recall how that suggestion was jeered at by members of the C.C.F. opposition.

No wonder. I sat at that conference for three days and I know what went on. The hon. member then made this statement:

> I have now brought this submission, signed on behalf of the government of Saskatchewan, endorsing every word I said.

Anyone reading that would take it as a reference to a submission by the Saskatoon

conference, but it was no such thing. That was a request submitted by a delegation from that Saskatoon conference which came down here to present their recommendations to the government. That delegation was composed of representatives of the U.G.G.—I believe the president was a member—as well as other grain companies. There were lots of people there representing people other than farmers, as well as farmers. There were people of all political opinions. When they got together they presented to the government the only thing on which they were unanimous, and that was that there should be cash advances paid on wheat stored on the farm. Now, it is very interesting. There is a difference whether you are talking about the Saskatoon conference or whether you are talking about the request made to the government by a number of delegates of various political colours and various occupations who happened—

Mr. Dickey: Would the hon. member permit a question?

Mr. Knight: Yes, of course.

Mr. Dickey: Is it not correct that that delegation was sent down here from the conference—

Mr. Knight: Yes.

Mr. Dickey: —to represent it?

Mr. Knight: I shall answer by saying this. Never have I seen farmers so angry—and I count among those farmers Mr. Nollet, the minister of agriculture of the province of Saskatchewan, whose language in that regard I dare not quote in this house—at their disappointment and disgust with this wishy-washy thing, as they call it, that had been presented to the Canadian government. The only reason it was wishy-washy was that it was the only thing on which they could get those people with various types of interests unanimous. As far as the farmers were concerned, they considered they had been bypassed. Most of them used the word "sabotaged".

I want to deal for one moment with the assertion of the hon. member for Rosthern (Mr. Tucker) that what this government is doing in this legislation is in fact what was requested by the Saskatoon conference. I am not going to read this but I am just going to say that after the reports of what happened at the Saskatoon conference this was stated in a reliable newspaper:

> It was also stressed that this was an advance and not a loan.

That is from a report of the Saskatoon conference. It is rather an amazing thing that, when the hon. member for Rosthern himself wrote a letter to the Winnipeg *Free Press* shortly after this incident, the hon. member said:

> At the Saskatoon conference, farm union leaders and others advocated that advances should be made to farmers against wheat in store on their farms by the wheat board through the elevator agents.

Those are not my words, but the words of my hon. friend from Rosthern. Let him eat them now. I think that should settle the question of the Saskatoon conference, and of the representations that were made here. But I can assure the government and the minister that, so far as all these people are concerned —the people with whom I had daily contact for two or three weeks in my own city and outside it—whether they be professional men, labour men or farmers or whatever they may be, they consider the government legislation in this case as nothing short of a joke. That is absolutely true. I have already dealt with my hon. friend from Rosthern. If he talks, as I said the other day, till he is blue in the face —and he gets that way occasionally,—of course we have to make allowances for my hon. friend because he does not like the C.C.F. party and he has good reason for that. After all, he is smarting under the rather unfortunate and unsuccessful experiences he has had with the C.C.F. in the province of Saskatchewan over the past five or six years.

I do not think there is anything more I can say in that regard, because I believe I have made my point; but there is also one other point. That is the assertion that the Saskatchewan government somehow subscribes to this silly business of a loan because the minister of agriculture from the province of Saskatchewan signed his name to this wishy-washy document that was produced and presented to the cabinet here in Ottawa. Mr. Speaker, your predecessor has precluded our reading these documents in the house, although I notice you have been a little more lenient, and I shall not attempt to do so. But I could read here speech after speech made by the premier of the province of Saskatchewan, who, whatever he may be, to my thinking is a great man and certainly represents the C.C.F. opinion in that province of Saskatchewan. In everything he has said he has been against this principle of bank loans and has been in favour—and in fact he has laid it down on the line that this should be done—of cash advances, a payment in advance without interest on grain stored on the farm.

Needless to say, I shall support this amendment. We could have had something better, but under the circumstances I think we can support that. Early in this debate

we were challenged. We had the most amazing spectacle of the Minister of Trade and Commerce getting up one night in a fury—and that is the only way I can describe it—, looking at our friend from Regina City (Mr. Ellis) and saying, "All right, if you oppose this, we shall withdraw it." I ask, is this the way for a responsible minister of the crown to act in a democratic House of Commons? A member of a small group in this House of Commons is allowed to twist and change and pervert and cancel of his own volition legislation brought in by a government that is supposed to be acting for the good of the people concerned and for the good of the Canadian nation. Somebody has said we have witnessed a comedy of errors. I am not going into that, but one would need the fingers of both hands to count the errors the government has made in the last two weeks about this and other matters.

Mr. H. R. Argue (Assiniboia): This afternoon I listened to the parliamentary assistant endeavouring as best he could to read into certain resolutions from farm organizations the idea that farm organizations were not in favour of cash advances. He stated that, when the C.C.F. said that farm organizations and the farmers were almost unanimously in favour of cash advances and opposed to bank loans, we were not stating a fact.

I did not have the privilege of attending the Saskatoon conference, but it seems to me clear from the record that the delegates at that convention were in favour of cash advances. It seems also true that when the representatives from that conference met the cabinet they did not make precisely the same presentation to the cabinet that was agreed upon at that conference. Certainly there was a difference of opinion.

The important point is the fact that when the farm leaders, whoever they might have been, who met the cabinet and seemed to support the idea of bank loans, went back to their member bodies and faced their delegates in convention, the delegates speaking on behalf of the producers rejected any suggestion that bank loans were acceptable and those delegates came out spontaneously in favour of cash advances. Almost the same thing that happened in the prairies last fall can be seen in this debate. When the resolution preceding this bill first came before the House of Commons, the C.C.F. members said they were opposed to the resolution. We said we were going to vote against it and against the bill that would follow the resolution. It is not too easy sometimes to stand alone. It is much easier to be with the crowd. When you are in the opposition—and there are three opposition parties—it is much easier to go along with the majority. But we said we were against bank loans on principle. We said that, whilst they might do some negligible amount of good in a very few instances, the point was that we were discussing an important principle.

We had already made our stand clear that we were in favour of cash advances when we moved an amendment in the throne speech debate. We made it clear that we were not going to advocate cash advances one day and then be caught standing up in the house and voting for bank loans at a later date; that it was a question of principle; that we were not going to try to ride both horses; that even though we might be misquoted, even though our stand might be twisted, we were going to stand by the principle of cash advances, and the only way we could stand by that principle was to vote against the bank loan legislation all the way down the line.

I think the stand we have taken has already been justified and is now proven to be right. When we see the other opposition parties, both of them, I believe, now prepared to vote against this repugnant bill—

Mr. Diefenbaker: We have seen the bill now.

Mr. Argue: You have seen the bill now. The bill is precisely the same measure that the Minister of Trade and Commerce outlined to the Canadian people on his radio and television show, a $1,500 maximum, 5 per cent interest, on surrender of the wheat board permit book and after which 50 per cent of the moneys received from all deliveries will be paid to the bank. I want to congratulate the Social Credit and Conservative groups in the house for being prepared now to change their position when they see that bank loans should be opposed.

As I said, the same thing happened in the west last fall. A conference was held and there were some differences of opinion as to how cash advances might best be made. The leaders came to Ottawa, and apparently there was a greater difference of opinion when they faced the cabinet. Members of this group, other members from other parties and farm leaders went across western Canada speaking to farm organizations and meetings of farmers, and because of that campaign opinion became crystallized in favour of cash advances and opposed to bank loans. As a matter of fact almost all the organizations, as well as the majority of political parties, are now opposed to bank loans and in favour of cash advances. As the days go by, fewer and fewer people are in favour of bank loans.

The Minister of Trade and Commerce said at one time during this session that he had received about 3,000 pieces of paper with regard to the question of bank loans or cash advances, and I am positive in my own mind that 98 per cent of all the representations that have been made to the Minister of Trade and Commerce have been in favour of cash advances and opposed to bank loans. I would very much like to see that record produced immediately so we can see whether that statement is in fact correct.

Mr. Dickey: On a question of privilege, I understood the hon. member had received the return to his notice of motion for papers and that it was satisfactory. If he has any complaint about it, I wish he would speak to me.

Mr. Argue: I am not objecting to what has been placed in the return but I am saying that in my opinion 98 per cent of all the pieces of paper to which the Minister of Trade and Commerce has referred are in favour of cash advances and opposed to bank loans. Nothing that the Minister of Trade and Commerce can say can change the fact that western Canada believes the legislation now before the house is repugnant and should be withdrawn because it is not in the best interests of the agricultural producers.

I do not imagine the Liberal party is unanimously in favour of this legislation. Oh, they may vote unanimously in the house. The Minister of Trade and Commerce has said: "Toe the party line; we are not going to have anyone exercising a free vote, a free opinion." He has even told the hon. gentlemen in the other place who belong to his political party that they too must toe the line.

In Saskatchewan the Minister of Agriculture has already carried out these orders from the Minister of Trade and Commerce and, while there was a lot of deviation in the party line in Saskatchewan last fall, it is now being strictly followed. Nevertheless it is still not true that the Liberal party is unanimously in favour of bank loans. I too saw Mr. Harper Prowse, the Alberta Liberal leader, on television last night in the program "Press Conference". I have never seen the gentleman in person but I want to say that I was rather impressed generally with the ability he showed. It seemed to me that whenever he was being questioned about provincial matters he was very much at home and had the answers. He sat right on top of the conference until somebody mentioned federal policy and asked him about the government's wheat policy. Then he faltered and hesitated. He looked down and picked up a little note.

I can almost see the hon. member for Rosthern (Mr. Tucker) doing about the same thing on a television show. Then Mr. Prowse read the record, the old record about quantities of grain delivered and produced in the last five years. Then he was asked point blank, "Are you in favour of cash advances?" His answer was "yes"; he was in favour of cash advances.

Mr. Diefenbaker: He will be liquidated.

Mr. Argue: I suggest that Harper Prowse represents the opinion of prairie farmers in Alberta when he says that he is in favour of cash advances far more than the Minister of Trade and Commerce represents the opinion of the farmers of Alberta and western Canada generally when he says that the farm organizations are willing to go along with this legislation.

The parliamentary assistant quoted the submission of the federation of agriculture to the cabinet. That submission did not oppose cash advances. I did not hear him read anything about cash advances. But had the parliamentary assistant wished to quote the most important farm organization as far as the production of wheat is concerned, an organization that is a member of the Canadian Federation of Agriculture, he would know where the agricultural producers in fact stand on this question.

I am glad that democracy works in parliament to some extent, in spite of statements from members of the cabinet. I am glad to see democracy working in Canada and working in the farm organizations. I believe that the fundamental power must rest with the rank and file. It must be with the membership, with the ordinary citizens. It is a fact that some leaders of some farm organizations were prepared to go along with the bank loan legislation—

Mr. Dickey: They asked for it, too.

Mr. Argue: —until they met in convention—

Mr. Dickey: Some of them requested it.

Mr. Argue: —and the delegates said, "We are opposed to the bank loan legislation; we want cash advances." Democracy exerted itself in these farm organizations and the opinions of some leaders were reversed, but democracy apparently cannot exert itself within the Liberal party or their position would be reversed in the face of the opinion in western Canada. We have seen the Minister of Trade and Commerce in action before. He gets an idea in his head and he says, "This is it." No matter what opinion may be against it, no matter if he stands alone, he is going to see the legislation rammed through the house against all opposition and against the country itself.

What did the three pool conventions do? I do not have their resolutions in my hand, but I do have the submission of the interprovincial farm union council presented to the government this day, and it contains a reference to the stand of the three western wheat pools. With regard to cash advances it has this to say:

> Therefore the interprovincial farm union council is continuing to press for adoption of its original proposal, which has been endorsed—

I want to emphasize this.

> —at the three wheat pool delegate meetings, that the government arrange for interest free cash advances by the Canadian wheat board on farm-stored grain to the value of 50 per cent of the initial payment on an estimated delivery of 8 bushels per cultivated acre.

Nothing could be clearer than the fact that the western farmers want cash advances and are opposed to the legislation that is now before the house. Some reasons have been advanced by the minister as to why cash advances could not be made. None of them have appealed to me. I think all of them are incorrect. I think all of them are unfounded. Whenever the minister stated something by way of reasons why it could not be done those statements cannot be borne out by the facts. I think the minister gave one extremely important reason why he is not prepared to provide cash advances. He had this to say as reported at page 603 of *Hansard:*

> Finally, the government was reluctant to put elevator agents into competition in making wheat board advances.

The government was reluctant to let elevator agents compete for the business of cash advances. That statement is extremely important, because it has a great bearing on the business that would be received by each elevator company at any given marketing point. It has an important bearing on the whole question of box car distribution.

If the government had provided cash advances through the elevator system, a producer at a given marketing point would go to the elevator company where he wished to deliver his grain and obtain from that elevator company the cash advance. Then the farmer would be required to pledge his grain on delivery to that elevator company. Therefore if 50 per cent of the farmers at one marketing point had pledged their grain to a certain elevator company, that elevator company would have to be given 50 per cent of the box cars in order to move the grain so that the farmers who had accepted cash advances could repay them.

If that had been done, the farmers then would have had restored to them the right to deliver grain to the elevator of their choice. It would be the farmer who would decide, and not the transport controller or the Minister of Trade and Commerce who is deciding to which elevator farmers must deliver the grain because of the lack of box cars and because of the bad distribution of box cars.

If you brought in a system of cash advances, you would be stepping on the toes of some of the private grain interests which we have seen the Minister of Trade and Commerce so anxious to protect over the years. We have seen many times the attitude of the Minister of Trade and Commerce toward the farm organizations. The western farm organizations have asked for a better distribution of box cars. He gave them a transport controller who is doing nothing about the matter, who is opposed to the farm organizations, and who is opposed to allowing the farmers to deliver grain to the elevator of their choice. The statement by the Minister of Trade and Commerce that the government was reluctant to put elevator agents into competition in making wheat board advances is, in my opinion, highly significant. I should like to see a little bit of competition in the grain business, but the minister is opposed to competition. He wants the situation to continue where farmers are forced to deliver grain to whatever elevator may happen to get the box cars.

In this debate the Minister of Trade and Commerce has made a great many statements. The vast majority of the statements and the assertions he has made, I submit, are wrong, incorrect, ill-founded and cannot in any way be supported. The C.C.F. are asking for cash advances. He said, "Oh, yes, you are asking for cash advances. Why? Because you want to embarrass the wheat board. Anybody that is for cash advances is an enemy of the wheat board." He said the farmers' union is something like the C.C.F.; that they have said they support the wheat board "but", and he says there is always an extremely important "but".

The record of the C.C.F. group in regard to the wheat board is clear. We are not obliged to protect our record. We believe in the wheat board system of marketing all grains. That record is clear. I suggest that the farmers' union record is just as clear. They are not here to defend themselves, but their record is just as clear that they are 100 per cent in support of the wheat board system of marketing grain. Therefore the minister's statement to the effect that anybody supporting cash advances is the enemy of the wheat board is in fact wrong and is, in fact, perfectly ridiculous.

The organization that has campaigned most for the Canadian wheat board and in support of orderly marketing is no doubt the Saskatchewan wheat pool. Their delegates in

convention assembled the first day passed an emergency resolution that reads as follows:

That we urge the government of Canada to make immediate provision for advances to farmers on farm-stored grain.

That advances to farmers on farm-stored grain should be up to one-half the normal delivery expected and repayable on the basis of one-half of the value of each delivery made by the farmer.

That advances on farm-stored grain should be made by way of government-guaranteed loans to the Canadian wheat board; the Canadian wheat board to arrange with elevator companies to make the advances to individual farmers, and that any interest involved in such loans should be absorbed by the federal treasury.

The policy of the Saskatchewan wheat pool, as approved by its delegates in annual meeting, is clear-cut. It does not favour the government's proposal for bank loans. It firmly believes that the conditions are such that extraordinary measures are called for, and that these should include advances against farm-stored grain, and that such advances should be made to individual farmers through elevator companies in accordance with an agreement between the companies and the wheat board.

The Minister of Trade and Commerce says about 100,000 farmer members of the Saskatchewan wheat pool are the enemies of the Canadian wheat board. That is an extremely irresponsible statement from the minister in charge of grain marketing. The minister is always willing to slam anybody. He makes wild statements. Last year when we were discussing another bill in connection with the Canada Grain Act he referred to the wheat pools as the C.C.F. pools. I suppose in the mind of the minister that was calling them just about as bad a name as he could lay his tongue to. So he brushed aside the Saskatchewan wheat pool and the other wheat pools as being C.C.F. pools.

Mr. Harris: It probably was not a compliment.

Mr. Argue: Then another statement the Minister of Trade and Commerce has made, which is just as ridiculous and cannot be substantiated, is the one to the effect that the government could not make cash advances because they could not get ample security if it were done through the wheat board, and there was nothing to stop a farmer from feeding his grain to his livestock after he had received a cash advance, or selling his grain to his neighbour.

What was the minister saying? He was saying that the small farmer he had been talking about—the farmer who is poor; the farmer who has some grain but needs some money—could not be trusted if it were done through the wheat board because he might feed the grain some dark night, or he might haul it across to his neighbour.

An hon. Member: Big brother is watching him.

[Mr. Argue.]

Mr. Argue: There would be no danger of any farmer getting away with anything under the bank loan legislation. The only way in which he can get out of paying that, I guess, is to drop dead, because he is going to be tied very tightly. But surely the Minister of Trade and Commerce does not believe that any percentage of the farmers at all are not honest or that they would in fact feed or sell grain that was pledged to the elevator system. It is such a ridiculous statement. The farmer would be receiving only half the value of the grain. The wheat board has control of his permit book. In order to obtain the other 50 per cent of the value he must deliver the grain to an elevator. That is another statement by the minister that is completely inaccurate and cannot be substantiated in any way.

After saying that the farmers were not to be trusted, he said, after all, there was not too much need for any legislation. He said he was at a meeting of farm representatives. After the meeting was over one of the farm representatives asked him if he would like a lift in his car. He said the farmer had a new car and remarked to the minister that his land was now clear. The farmer told the minister he had one year's crop in his bins, something for which he had been hoping for many years.

Mr. Cannon: On a point of order, Mr. Speaker; we were told that same story yesterday in identical words. If this is not repetition, then what is?

Mr. Argue: I can understand the difficulty of the hon. member and the fact that he would like this statement forgotten.

Mr. Dickey: On a question of privilege, Mr. Speaker, I do not believe it is proper for an hon. member to impute motives to someone who rises with a proper question of order.

The Acting Speaker (Mr. Applewhaite): I did not understand the hon. member for Assiniboia to be imputing motives to anyone. I would be glad to hear his views on that.

Mr. Argue: I was not imputing motives of any kind to anyone, Mr. Speaker. If my hon. friend is so sensitive to what I said and believes some of it is objectionable, I am quite willing to amend anything I said so he will not sit in his chair with anxiety.

The minister went on to say that the farmer had a new car, had his farm clear and he had one year's crop in his bins—

Mr. Cannon: Could we have a decision on the point of order, Mr. Speaker?

The Acting Speaker (Mr. Applewhaite): If the hon. member for Iles-de-la-Madeleine

is asking me to rule that the telling of the same story twice in this house is repetition to the extent that repetition is barred by the rules of this house, I am very much afraid I would have to admit that at this time it would be most unfair for me to so rule against the hon. member for Assiniboia, considering other speeches we have heard in this and other debates.

At the same time, I feel that the hon. member for Iles-de-la-Madeleine is giving voice to views which are held by a great many in this house, and with which I believe the hon. member who now has the floor will agree, that little can be added to a debate by repetition of what has been said before. When repetition reaches a certain stage it becomes an abuse of the privilege of this house. All hon. members on all sides I think will agree that that situation can arise. Perhaps I might express a personal opinion that we are close to it, but I am not going to rule at the moment that the hon. member has gone that far.

Mr. Argue: In one breath, Mr. Speaker, the Minister of Trade and Commerce says this legislation is necessary to help the small farmer, the farmer who is short of money. He says we cannot establish a system of cash advances because the farmers cannot be trusted. Then he changes his story and says that after all, the farmers of western Canada are still well off. They are driving new cars. They have their land clear. I think the fact is that only a tiny percentage of western farmers are driving new cars. The vast majority are driving cars that are now a few years old. They are almost all heavily in debt. They are short of money. They are honest and they want cash advances. I believe they will resent the statement of the minister that they are all well off and there is nothing for them to worry about.

The minister made another statement to which I believe reference was made this afternoon, although I was not in the chamber at the time, by the hon. member for Prince Albert. The Minister of Trade and Commerce said that if a system of cash advances were put through parliament he would be faced with the resignation of the members of the Canadian wheat board. I may tell you that jolted me. I could scarcely believe my ears. I know the members of the Canadian wheat board and I have every respect for them as individuals. Personally, I believe that if parliament asked the wheat board to provide a system of cash advances, the present members of the Canadian wheat board would be only too pleased to carry out the will of parliament.

I can recall an earlier statement made by the Minister of Trade and Commerce, when he said we could not have a new system of box car distribution based on farmers shipping to the elevator of their choice because if we did the transport controller would resign. He would fold up. There would be no transport controller. Last year before the agriculture committee the transport controller was beginning to say very much the same thing; he could not administer it. I asked him point blank, "If parliament passed legislation directing you to control box cars in a certain way, would you implement the law as passed by parliament?" The transport controller said, yes; he would not resign but would be right on the job attempting to enforce the law of the country.

The minister said the wheat board would resign. Then the hon. member for Prince Albert asked a number of questions as to the date the minister received that information as to their impending resignation if cash advances were provided. The answer was no. Here we have more bluff, more inaccurate statements, more excuses and more threats. The minister has got himself in a jam. He is up to his ears in trouble, and it is all his own fault because he refuses to stick to the facts. He keeps on making statements that are ridiculous. He looks foolish in the house and in the country. He is not undermining the Canadian wheat board or the orderly marketing system by making these statements, but he is undermining the Liberal party in western Canada. He is undermining his own prestige in western Canada. A few years ago he had a lot of prestige. A few years ago in the books of Canadian farm organizations his name was respected, but today his name is not respected.

The Minister of Agriculture can shade meanings. He can pop down a hole any time you believe you are catching him. He will even go to *Hansard* and do something with the record, put something in or take something out. The Minister of Agriculture is well known in western Canada. But the Minister of Trade and Commerce does not follow the example set by the Minister of Agriculture. He makes statements right on the record that cannot be substantiated in any way and which time after time are proven inaccurate. He does not care about the record. So in western Canada, although the reputation of the Minister of Agriculture was not particularly high, now in comparison with that of the Minister of Trade and Commerce he probably stands in a higher position, even though the reputation of the Minister of Agriculture leaves a great deal to be desired.

The Minister of Trade and Commerce did not end the statements he could not substantiate with the one to which I have just referred. He keeps on making them, and is not at all discouraged if he is proven wrong every time he makes a speech. Speaking on the system in the United States for cash advances or loans, he had this to say:

> It has been said frequently here that in the United States grain in the farmer's bin is paid for by the government, but that is not true.

That can be found at page 1032 of *Hansard*. The minister says it is not true that grain in farmers' bins in the United States can be paid for. I hold in my hand a copy of *Price Programs*, a publication of the United States department of agriculture and I quote from page 17:

> Q. What kind of farm storage must a producer have to be eligible for CCC loans—

An hon. Member: C.C.F.?

Mr. Dickey: Not payments, loans.

Mr. Argue:

> —on farm-stored grain?
> A. The cribs or bins used must meet the approval of the county ASC committee. In general, farm cribs or bins that provide safe storage in the locality will meet requirements.

The minister says that United States farmers cannot be paid for grain in their bins, but the United States government says that they can and I am prepared to take the word of this United States publication.

An hon. Member: Why don't you move to the United States?

Mr. Dickey: For loans, not payments.

Mr. Argue: The minister then goes on to say at page 1032 of *Hansard*:

> We, in Canada, cannot have anything to do with the grain until it is delivered into the government's licensed storage. The two are practically the same.

In answering that statement I will deal with the comments of the parliamentary assistant that the United States proposal is loans. That is what they call them; they are loans. I will tell you what kind of loan it is and if the farmers of western Canada could have this type of loan I am sure they would be 100 per cent in favour of it.

The farmer in the United States today can get from the CCC a loan of $2.08 a bushel for the wheat in his bin; that is the national farm average. What is the interest? Three and one-half per cent. When does the farmer pay the interest? He pays it only when he wishes to discharge the loan by paying it in cash. But when he delivers his grain to the CCC the interest is cancelled. The interest is cancelled when the grain is delivered to the Commodity Credit Corporation. Therefore the United States farmer can get something worth while. The Minister of Trade and Commerce says the systems are just the same, but the Canadian farmer can get nothing except a bank loan and only then if the banker is in a good humour and likes the look of the farmer when he comes in to make his application.

The United States farmer can get $2.08 a bushel on his grain without interest immediately after it is harvested, because the interest is cancelled whenever the CCC takes the grain from the farmer the following spring.

An hon. Member: Who pays it?

Mr. Argue: And then if the United States government does not take the grain off the farm, or rather if the farmer in the United States asks that his bin be resealed, he is then paid storage—note this—for the following year, from 11 to 16 cents per bushel varying with the different kinds of grain.

I would like to see a system in Canada just half as good as the United States system, which is a form of 100 per cent cash advances, interest free. The only time interest is collected is in the event the farmer wishes to pay up the loan because the market price has gone higher or because he has decided to seed a portion of his grain or use it as feed.

An hon. Member: Who is going to pay for it?

Mr. Argue: Through the wheat board system the Canadian farmer owns most of the grain on his own farm. In the United States the American farmer has in his possession about 4 per cent of the grain and the rest of it is acquired by the United States government under their various policies. Now we have the bill before us—

Mr. Harris: At last.

Mr. Argue: —and the great clinching argument the Minister of Trade and Commerce used over and over again as to why the wheat board could not be allowed to make cash advances is this, and I quote from page 127 of *Hansard*:

> A government lien on grain on the farms would have to take second place to tax liens and would be on a par with liens put on by implement dealers or suppliers of any other kind.

He repeated that time and again. He said that a lien of the Canadian wheat board would be an inferior lien and there would be other liens that would supersede it. Therefore he said they had to have the strength of section 88 of the Bank Act.

We come to the bill and we notice that the strength in the Bank Act has nothing at all to do with the bill. As a matter of fact this legislation supersedes the Bank Act. This legislation gives to the banking institutions far more power and far more authority than they have under the Bank Act. It says:

Notwithstanding any other act or law—

Some hon. Members: Order.

Mr. Argue:

Notwithstanding any other act or law—

Certain things under this legislation will be laid down—

Some hon. Members: Order.

Mr. Argue: And what will be done under this legislation? The farmer is barred from storing his grain in the country elevator and when he does bring it to the country elevator 50 per cent of the amount must be paid to the bank because the banks are entitled "in priority to all other persons."

The strength of this lien is 100 per cent, and nothing can supersede it. The strength does not flow from the Bank Act but flows from this legislation which is now before parliament. The banks are given preference to the rural municipalities, the implement dealers and the threshers. The banks are given preference to all other persons. Is there any risk? There is no risk.

Then the government guarantees the loan and says to the country elevators, "You have to collect". They do not really say that either; they hold the elevator agent personally responsible for the collection. It is no wonder that this legislation is repulsive not only to the farmers but to the elevator agents. It is small wonder indeed that this legislation is almost unanimously opposed by all people on the prairies. I am surprised that even this government would have the effrontery to present legislation to the country which in fact does nothing for the producer but which in fact will bind the producer hand and foot in an economic way when he is forced to accept a loan.

Mr. Charles Yuill (Jasper-Edson): Mr. Speaker, in rising to take part in this debate I do so with certain qualms of conscience because it is going to be very difficult to say anything that has not already been said by someone else. However, I do think we could say a lot yet on the merits or the demerits of the bill which is before the house at the present time.

I think if we were to be a little more realistic in our thinking we should go back a little further than this and deal with the root cause and the necessity of presenting a bill such as this. I think if we were to be realistic in our thinking we would have to agree that there is a challenge here to the people who are responsible for the fiscal policies of this government.

I think it even goes beyond that. I think it is really a condemnation of our fiscal policy. In this bill I believe we are just trying to determine whether or not it is better to give an aspirin or a dose of alka seltzer to relieve our economic headache. I do not think we are getting to the root of this problem. If mother nature is kind next year and we have another bumper crop, we will have to come back and repeat that order.

I do not think anyone should assume that he is ruling by divine right. Members of parliament are elected as individuals, they are not collectively grouped and elected as a government at all. Naturally those who are in the majority are charged with the responsibility of administering the business of this country, but that does not give them any right, in my opinion, to assume that they are there by divine right. They should not take us back to the law of the jungle and assume that might is right. They should be prepared to listen to constructive criticism by the people who are so vitally concerned with agriculture.

We have had the results of the collective thinking and good judgment of the important people in Alberta, Manitoba and Saskatchewan; of the farm organizations which have been charged with the responsibility at the local level. They have tried to come up with the right answers and suggestions in order to help those who in the final analysis are charged with the responsibility of doing something about this problem.

This government would be well advised to listen to the suggestions that have been made, the suggestions that the best way to serve the interests of the farmer is not by allowing him to borrow another $1,500 of his own money at 5 per cent but rather to give him advances of up to 50 per cent for grain stored on the farm. If we took a more realistic attitude and concentrated upon trying to determine ways and means of selling our wheat I think we would be getting closer to our responsibility.

I do not think we grow wheat or anything else just for the sake of putting it in a granary, storing it and getting money on it, either through the medium of bank loans or advances. Until we get down to basic facts and apply to our fiscal policy some modern techniques of salesmanship we will have this to contend with year after year. You can scarcely listen to a radio program or watch

a television show without having demonstrated to you new techniques in salesmanship. That is done as a matter of necessity.

We have allowed conditions to develop whereby on the one hand the farmer has an abundance and then must go and beg for the right to sell his commodity. So far as the attitude of the government is concerned, in refusing to consider in any way, shape or form any deal which would be on a mutually advantageous level, I think that is a very nearsighted attitude. It is desirable and absolutely essential that in our modern world we think in terms of creating sales up to a sensible and reasonable amount. If it were not that we are living in a world which is definitely conscious of the credit system our economy would not have reached a level of $26,400 million. Those who manufacture television sets, refrigerators and that kind of thing do so in the expectation that people will mortgage their future incomes to buy those articles on credit. If we are going to sell our wheat or anything else we must think more or less in those terms. We must be ready to sell some of our commodities on a credit basis.

I think this is really a backwash of faulty techniques in our fiscal policy. We have allowed our fiscal policy to take on a lot of dry rot. If we are to consider this bill on its merits I think we should follow the suggestion made by my colleague and send it to the committee after second reading. We could then take advantage of the collective thinking and good judgment of the people of Canada who are so vitally interested. The government would be able to listen to those people and if this legislation is not what the people want it could be modified without the government in my opinion losing face at all. In fact I think they would become more or less heroes as a result. If a man makes a mistake and is ready to admit it and tries to remedy it, he is doing the right thing. I urge the government in its mature wisdom to allow this bill to go to a committee where it can be given the acid test. Then whatever seems to be the sensible thing to be done can be done. We would be doing what the people of Canada want. If that were done the government could take credit for having the courage to take one more look at the matter in an effort to come up with the right answer.

I think it is a pity that the government has adopted the attitude that they will not permit this bill to go before the committee. It is certainly not in the interests of the agricultural industry when they refuse to do that. I would urge that they give one more look and agree to the proposal made by the hon. member for Acadia (Mr. Quelch).

[Mr. Yuill.]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, if the eyebrows of the parliamentary assistant to the Minister of Trade and Commerce (Mr. Dickey) rise slightly when he sees me taking part in this debate, let me assure him at once that I do not intend to go into any detailed statistical analysis of the wheat marketing problem or the detailed pros and cons of the legislation before the house. I feel that the situation as it affects the farmers has been adequately set forth by those of my colleagues who are much closer to it.

I say at once that my reason for rising to take part briefly in this debate is to say that in my opinion the subject matter of this bill is of concern to a much broader section of the people of Canada than the producers of wheat in the three prairie provinces. I think the government should realize that this particular piece of legislation and the effect it is going to have upon the welfare, not only of the farmers but of many of the rest of the people of Canada, are under much closer review than they may perhaps realize. As most hon. members know, in the constituency I represent there are a good many industrial workers. I want to suggest that among the industrial workers of this country there is a growing realization that the situation of the Canadian farmers and their own situation are much more closely parallel than they may perhaps have realized a few years ago.

Perhaps I might give one or two illustrations of that fact. Not so long ago, since the beginning of the present session of this house, as a matter of fact, I was invited to speak at a public meeting in one of the large industrial centres of Canada. The audience was composed largely of people who were industrial workers, and the topic which it had been suggested I might discuss was the new Unemployment Insurance Act. Of course, if the Minister of Labour had been there it would perhaps have been a more interesting discussion than we had. But the point I wish to make is that when we came to a question period at the end of the meeting, rather to my surprise the questions that were asked of me were not in the main directed to the Unemployment Insurance Act but to the situation in respect to the wheat surplus in Canada and the policies the government was formulating to deal with it.

I mention that because I think it serves to illustrate the point I am trying to make, that this is a measure of concern not only to my colleagues who come from agricultural constituencies in the prairie provinces but also to a great many people in a great many parts of Canada. In my district I meet from time to time quite a large number of people

who at one time or another have been prairie farmers. Where do I meet those people? Do I meet them driving around in the Cadillacs about which the Minister of Trade and Commerce was talking? Do I meet them frequenting posh resorts? No; I meet those people working in the sawmills and logging camps of Vancouver island.

That fact illustrates another point I should like to emphasize, that basically the situation of the agricultural producers of this country and that of the industrial producers of this country are the same. If the industrial workers were faced with the kind of situation which has been adequately described, where their pay cheques had been drastically reduced, and then they found at the end of the week or month they were not in a position to collect the other half of their pay cheques but were having suggested to them that they should go to the bank and get a government guaranteed loan at 5 per cent, their position would be rather similar to that in which the government is proposing to place the farmers of the western prairies by this legislation.

I felt I should like to take part briefly in this debate to emphasize the growing realization among the industrial workers of this country that legislation that is inadequate for the farmers is also going to have bad results as far as they are concerned. In considering whether or not the amendment now before the house on this legislation should be accepted, members in all parts of the house—not only those who come from agricultural constituencies in the prairie provinces but also those who may represent industrial constituencies in eastern Canada or other parts of the country—should realize that the eyes of many of the people of Canada are upon the actions of the government and the inadequacies of the measure it is now proposing to bring in.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I can imagine that some hon. members may have in their minds the question as to how many grain farms there are in Winnipeg North Centre. I think it is generally known that the answer is none. Nevertheless, I doubt that any member of this house has any greater claim to speak on this matter than has the member for Winnipeg North Centre, in view of the list of head offices that are located within the bounds of my constituency.

Within the boundaries of Winnipeg North Centre may be found the head office of the Canadian wheat board. Also in my constituency is the Winnipeg grain exchange. We also have the head office of the board of grain commissioners. There is also the head office of the wheat pool. The Manitoba federation of agriculture and co-operation has its head office in Winnipeg North Centre, as does the Manitoba farmers' union. I might also point out that every carload of grain that comes from anywhere west of Winnipeg headed toward the lakehead, whether on the Canadian National or the Canadian Pacific railway, comes through the constituency of Winnipeg North Centre.

So in our riding we have a real interest in agricultural matters. In addition to that, as my friend and neighbour the hon. member for Winnipeg South Centre (Mr. Churchill) pointed out a few days ago, all of us in the west recognize the important place that agriculture holds in our economy. We recognize that what is good for the farmers of western Canada is good for western Canada as a whole, and we feel that anything that is unfair and unjust to the farmers of western Canada is an injustice to western Canada as a whole.

Therefore I rise for just a few minutes to indicate my support of the amendment moved by my colleague, the hon. member for Kindersley (Mr. Johnson), and my opposition to the bill, the second reading of which is now before the house.

Reference has already been made to the "Press Conference" program, which many of us saw and heard on television last evening, when the gentleman being interviewed by the press, under the chairmanship of Professor Kenneth MacNaught of Winnipeg, was Mr. Harper Prowse, the Liberal leader in Alberta. We were interested in the way in which he was questioned about this legislation. He said at first it was his personal view that cash advances would be better, but then he tried to get off into a discussion of the bank loan legislation and tried to find something good about it. We were interested in the way in which one of the newspapermen put Mr. Prowse squarely on the spot and asked him what his own personal view was. He said that in his personal view cash advances would be preferable.

However, in the attempt that he did make to justify the bank loan way of dealing with this matter I thought he made one of the most telling arguments against the legislation now before the house. He put it something like this, if my memory from seeing and hearing the program serves me well; that one of the desirable features of the bank loan way of dealing with the problem was that only those farmers who desperately needed money would go to the banks and get it. As I say, that was about the only argument he advanced for it.

I suggest, Mr. Speaker, that that is as much as to say to a worker in an industry

that at the end of the week or two weeks, whatever his pay period is, he should not take his wages unless he really desperately needs them at that particular time. That is as much as to say to a member of parliament or a cabinet minister that at the end of the month he should not go to the pay office and collect his monthly cheque unless at that time he really needs it.

In our economy, in our society, Mr. Speaker, it is a basic principle that when people have done the work they were expected to do in connection with their job, occupation or profession they are entitled at the end of that period to their wages or pay for what they have done. It is our contention that the farmers of western Canada, having produced a bumper crop in 1955, are entitled without further delay to a return for what they have done and they are entitled to it as a matter of right, without having to go to the banks and borrow a portion of what they need at 5 per cent interest.

Mr. Speaker, it seems to me that last night Mr. Harper Prowse, in his feeble attempt to defend this legislation, pointed very clearly to what is wrong with it. We take the position, as I have indicated, that the farmers of western Canada, having done their year's work, should not now be told that the only way they can get any money is by going to the banks and paying interest, it being understood that they will not do so unless they desperately need it. That they need cash we know very well, but whether or not their need is desperate they are entitled to it. We feel that the only way that entitlement can be expressed under present conditions is by means of cash advances in respect of grain stored on the farms which the farmers of western Canada are prepared to deliver.

So, Mr. Speaker, we feel that this matter should not be pushed through in the form in which the bill is now before the house, but rather that the subject matter of the bill should be referred to the standing committee on agriculture and colonization so that interested bodies can appear before that committee and so that further consideration can be given to the matter.

The other day the Minister of Trade and Commerce objected to the amendment of my colleague, the hon. member for Kindersley, by saying that if this amendment were carried it would mean the defeat of the bill and would prevent a bill like this being introduced again this session. I feel that argument should be dealt with at least for a minute or two. First may I say that so far as we are concerned we are not frightened by the charge that the carrying of this amendment would mean the defeat of the bill. After all, we are trying to defeat it and that is fine. But, Mr. Speaker, we have left the door open for even such a bill as this to be presented again to the house if, after consideration by a committee, that committee having had a chance to hear responsible organizations, a recommendation to that effect is made by the committee to the house.

We are not on a point of order so I am not going to pick up Beauchesne and read it, but I would remind the minister that citation 663 of Beauchesne, third edition, makes it clear that these motions that deny the "now" reading for the second time of a bill do not prevent a motion being made for second reading at a later time. All this amendment does is to deny the reading at this particular time. It is still possible, if the committee were so to recommend, to reintroduce legislation even along these lines at this same session.

Nevertheless, Mr. Speaker, we feel that if the committee were given a chance to go into this matter thoroughly, if the committee were given a chance to hear the various organizations and get it straightened out for all who can hear as to what the farmers of western Canada want, that committee given a free hand would not recommend the reintroduction of a bill of this kind. We are satisfied that if the committee went into the matter thoroughly and heard representations from organizations representing the western farmers it would propose something much more akin to what we in this group have been advocating, namely cash advances to the farmers in respect of grain stored on the farm.

Naturally we have all been interested in the remarks made by the Minister of Trade and Commerce with regard to the legislation, and also with regard to the course the debate has taken. The minister does not like quotations of what he has said unless they are picked straight out of *Hansard,* so I will try to avoid offending him by putting words in his mouth that he did not use. However, I think it is pretty clear that he is annoyed that the debate is taking so long.

I am going to say to the Minister of Trade and Commerce that I think one of the reasons he is annoyed at the length of time this debate is taking is that he has not any effective club to hold over those of us who are opposing the legislation. At times there are measures before the house which are grossly inadequate and which we on the opposition side of the house oppose in the hope they will be improved. In circumstances such as those the

government can sometimes hold over us the club that unless we let even such inadequate legislation go through its benefits will not reach those for whom the benefits are intended.

But the Minister of Trade and Commerce knows as well as we do that any benefits that might accrue to individual farmers from this legislation have already been obtained by those farmers. If the debate goes on another day, another week, or is put off to the end of June it does not make a particle of difference to a single farmer in western Canada. Any farmer who would be able to borrow money from the banks, up to $1,500 at 5 per cent, after the passing of this bill can borrow that money now. In fact, the likelihood is that all who would take advantage of it have already done so. So the minister has no club over us in our opposition to this bill.

I mention that not just to remind the minister of the annoyance he is feeling, but also because the fact that it would make no difference whether or not this bill was passed emphasizes how utterly lacking in value it is. Just suppose this bill did not get passed. Would any farmer in western Canada suffer? Not one. Would any bank suffer? No. No bank has lent any money to any farmer on the strength of the letters from the Minister of Finance unless it was sure it was going to get its money back anyway. Hence if the bill does not pass, nobody suffers.

The Minister of Trade and Commerce said one time, "What are we debating about? There is nothing to debate about". Maybe he is right and there is nothing to debate about. There is no value to the bill at all. If it does not pass there is no change in the situation. But, Mr. Speaker, what happens if this bill passes is that the government is in a position to say to the farmers of western Canada that, between this and one other piece of legislation, "Here is the program; we are doing nothing more."

In that respect I may say this, and I say it frankly but kindly. I was disappointed in the vote at the resolution stage of our friends to the right and to the left of us, and I am highly pleased to know that on the vote that may take place shortly they are going to vote with us on our amendment and also against the second reading of the bill. I plead with them to stay with us in opposing this measure down the line.

I say that for this reason. If this bill passes this house not merely with the support of the overpowering government majority but with the acquiescence of even one group on the opposition side of the house, that will support the government in saying to the farmers, "This is all you get." I could recite the old saying that the good is the enemy of the best, but it would not be appropriate because there is nothing good about this legislation. The trouble with legislation of this kind being passed is that, in the government's mind at any rate, it blocks consideration of anything else. I therefore hope that, even if we have to have it by means of a government majority, there will be a strong opposition to this bill from this side of the house that will let the government know that so far as we are concerned this is not the end of dealing with the problem of achieving justice and fairness for the farmers of western Canada.

Mr. Speaker, there is before the house an amendment moved by my colleague the hon. member for Kindersley which, as I have indicated, has our full support. As my colleague the hon. member for Dauphin suggested earlier today, we still feel that the government might do well to let a free vote be taken on this amendment and give such members on the government side as wish to do so the opportunity to support that amendment as well.

This is one of those occasions, however, when I wish it were possible for us to move a different kind of amendment. I should like to have just a moment, Your Honour, to read a few sentences from May's thirteenth edition in order to indicate the kind of amendment that I think would have been even more appropriate than the amendment moved by my colleague the hon. member for Kindersley. I refer to page 394 of May's Parliamentary Practice, thirteenth edition, where I read:

> In more ancient times bills were treated with even greater ignominy. On the 23rd January, 1562/3, a bill was rejected and ordered to be torn; so, also, on the 17th March, 1620/21, Sir Edward Coke moved "to have the bill torn in the house;" and it is entered that the bill was accordingly "rejected and torn, without one negative." Even so late as the 3rd June, 1772, the Lords having amended a money clause in the Corn Bill, Governor Pownall moved that the bill be rejected, which motion being seconded, the Speaker said "that he would do his part of the business, and toss the bill over the table." The bill was rejected, and the Speaker, according to his promise, threw it over the table, "several members on both sides of the question kicking it as they went out."

Mr. Speaker, I wish it were possible to move that kind of an amendment to this bill. We would do our part in kicking it and we should be greatly pleased to see Your Honour do your part as well.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, as the hon. member for Acadia (Mr. Quelch) pointed out yesterday, the revelations which were made to our group by reading the bill and by hearing the Minister

of Finance (Mr. Harris) declare on the floor of the house that the government would not refer this bill to the committee on agriculture and colonization changed our attitude. Those two revelations completely changed the attitude of the Social Credit group to this bill. Let me point out to my C.C.F. friends that it was not because of any "seeing the light" concerning the resolution. In that resolution there was no indication of either of those facts. Once we had these two facts we did not need the lead of the C.C.F. or anybody else to tell us the right thing to do in respect of this bill.

There are two or three other matters on which I think it is well to comment at this stage. We find that there are a great many members from Ontario, Quebec and the maritime provinces and even some from British Columbia who believe that this bill ought to be rejected because it is a good thing for the western farmers, they think. In other words, their general idea is that too much has been done by the rest of Canada for those farmers in the three prairie provinces. That is a regrettable attitude but I have heard various members express it. One man from British Columbia said in my presence, "I would just do anything to vote against this measure. If I could possibly do it and still support the government, I would".

Mr. Goode: I rise on a point of order, Mr. Speaker. I know the hon. member is sincere but he is placing an implication on all members from British Columbia when he makes a statement like that. I hope he will assure the house that I made no such statement.

Mr. Blackmore: I am glad to assure the house that the hon. member who has just spoken did not make the statement. I used that quotation merely as an illustration.

Mr. Fairey: Mr. Speaker, I rise on a question of privilege. I think a statement like that is a reflection on all members from British Columbia, as stated by the hon. member for Burnaby-Richmond (Mr. Goode). As the matter is now left, the hon. member for Burnaby-Richmond has repudiated the statement on his behalf. That narrows the field. We are now all under that implication. I do not propose to say that I did not say it—although I did not—because that would then leave it to my friend the hon. member for Vancouver South—

Mr. Nicholson: The hon. member for Vancouver-Burrard said it.

Mr. Fairey: I think the hon. member for Lethbridge should withdraw that statement.

Mr. Speaker: Order. In order to prevent hon. members from British Columbia from rising one after the other—and they are all implicated—perhaps the hon. member for Lethbridge could help us out and relieve the situation by modifying his remarks.

Mr. Blackmore: What I said, Mr. Speaker, is the exact truth. I think if they keep on, by elimination they will finally get to the man who said it. I am sure he was quite anxious to have his statement on record. However, I think it is well to let the matter go, being satisfied that these two men have been so disgusted with the attitude expressed by one British Columbia member that they have immediately repudiated it.

Mr. Philpott: On a point of privilege, Mr. Speaker; what I said to the hon. member for Lethbridge was that I hoped he would finish his speech before six o'clock so we would have time to vote and get out of here.

Mr. Blackmore: The hon. member has not said he was or was not the man.

Mr. Philpott: On a point of privilege, I can assure you that I was not the man.

Mr. Speaker: I am at a great disadvantage in that I did not hear the original statement now being complained about. At the moment I was discussing a point of procedure with my assistant, the deputy chairman of committees, who is also from British Columbia but who I am sure has not heard the original statement. Would the hon. gentleman be kind enough to repeat the statement he made a moment ago which produced some inconvenience to certain hon. members?

Mr. Blackmore: I was merely indicating the reaction which a person like myself, who likes to move around amongst the members and keep his ears open, gets from the attitude of members who are not from the three prairie provinces in respect of a measure which is designed to help the three prairie provinces. What I said was that one British Columbia member said in my hearing—I do not think he said it to me—that he would like to vote against this measure if he could only find some way whereby he could do so without voting against the government.

Mr. Speaker: I think in fairness to hon. members, if he is going to say that, he should name the hon. member to whom he is alluding.

Mr. Blackmore: My reaction to that, Mr. Speaker, would be very much like my reaction to a tattletale. I do not feel I should name the hon. member. Perhaps I could go on.

Mr. Fairey: May I rise on a point of privilege again? That is why I asked the hon.

member to withdraw the remark so he would not name the hon. member and thereby label himself as a tattletale.

Mr. Quelch: I understand the hon. member to whom reference is made gave a press statement to that effect. It is quite public, so I do not think there is any need not to mention his name.

Mr. Howe (Port Arthur): What was his name?

Mr. Quelch: The hon. member for Vancouver-Burrard (Mr. MacDougall).

Mr. Blackmore: I used that merely as an illustration of the idea that prevails amongst some hon. members. Yesterday I said "scandalous" when reference was made to what the Minister of Trade and Commerce said concerning those who were so well off, giving the impression that most farmers in the west were in the happy position of that particular man. I say that was pernicious because it would give so many people in the house who come from other provinces an altogether false idea concerning conditions on the prairie provinces.

I hope I have made my point. May I say to the members who come from provinces other than the three prairie provinces that if you could get together a complete account of all the grain which has been produced in those three prairie provinces since 1890 and sold for good, solid foreign exchange, you would be astounded at the service those provinces had rendered to the Dominion of Canada. They provide foreign exchange because that grain can always be sold for foreign exchange, whether or not it does the farmer who produced the wheat any good.

Now, I have not the figures compiled to indicate how great is the debt that Canada owes to her wheat growers in the three prairie provinces, merely on the matter of foreign exchange alone. I am sure everybody in this house is deeply perturbed by reason of the fact we are so dangerously indebted to the United States. We have an adverse trade balance every single year. This is simply putting our necks in a noose which will ultimately strangle us to death. This is enough to show you how serious it is to have production which results in foreign exchange for the advantage of this nation.

Well, that is just the first point. I would urge hon. members to forget entirely all this nonsense which has been given to them concerning the rank and file of farmers in those three prairie provinces living in luxury, riding off to California, Florida and that sort of thing. I have grown up and lived all my life amongst those farmers. They have never been able to go off to California or Florida or anywhere else. They have to have their noses right to the grindstone, just as my poor father had his. He farmed all the time I knew him, and he was injured by the rise and fall of prices as a result of trading on the open market just as tens of thousands of others were. We were very glad, therefore, when the wheat board was established.

There is another matter with which I hope hon. members can impress themselves. In the year 1946—no doubt the Minister of Trade and Commerce exercised a very powerful influence—this government permitted the steel companies to advance the price of steel by $5 per ton. That act looked rather simple at the time. I do not know whether the minister foresaw what a potentially catastrophic thing that was, but he must have agreed to it. What happened? Everyone whose memory goes back to that time will recall that the steel workers of Canada in the various mills struck for their share of that $5 per ton. They continued that strike for 82 days, and the industrial relations committee of this house heard discussions on that strike for many of those days. The result of the whole thing was that by the time we were finished with that experience the prices of practically everything in the Dominion of Canada had been forced upward.

Was this inflation? No, it was not inflation. Inflation is a rise in price which results from a scarcity of goods. Anyone who thinks he can challenge that statement can get up on the floor and do it right now. Was there any shortage of steel which caused the increase in price? Not a bit of it. Was there any shortage of labour which caused the rise in the wages? Not a bit of it. The result of that increase by $5 per ton in the price of steel and the strike of the men following it was an over-all increase in prices. But it had nothing at all to do with inflation, one way or another.

It being six o'clock, Mr. Speaker, I would ask you to let me discontinue my remarks until after the recess.

Mr. Speaker: The hon. member for Lethbridge, having laid down the general foundation for his speech, perhaps might continue his remarks at eight o'clock on the principle of this bill. Do I understand the hon. member for Lethbridge has concluded his remarks?

Mr. Blackmore: No, not by any means, Mr. Speaker.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVILEGE

MR. MACDOUGALL—CLARIFICATION OF REFERENCE TO MEMBER FROM BRITISH COLUMBIA

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I rise on a question of personal privilege. This afternoon a verbal hassle occurred with respect to an unnamed hon. member from British Columbia who was opposed to the wheat legislation. I know that the hon. members for Lethbridge (Mr. Blackmore), Mackenzie (Mr. Nicholson) and Acadia (Mr. Quelch) certainly wanted to be perfectly fair in connection with this matter, and I want at this time to be perfectly fair, too.

I might say, Mr. Speaker, there is no secrecy attached to this matter at all. Although some confusion exists, the whole thing is in *Hansard*. I made the statement referred to on the 16th day of January, at page 143. I then quoted *Votes and Proceedings* for January 12, as follows:

> That it is expedient to introduce a measure for the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of one hundred and seventy-eight million bushels at the commencement of a crop year, such payment to be made to the board by the Minister of Finance out of the consolidated revenue fund.

As you know, Mr. Speaker, there are two bills dealing with wheat. From what I have just quoted it is most obvious that I was referring specifically to Bill No. 83 and not to Bill No. 82 which is now before the house. As far as Bill No. 82 is concerned I wish to assure you, sir, that I am 100 per cent in favour of the bill.

Mr. Howe (Port Arthur): Apologize.

GRAIN

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

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain, and the amendment thereto of Mr. Johnson (Kindersley).

Mr. Blackmore: Mr. Speaker, I am glad that the hon. member for Vancouver-Burrard (Mr. MacDougall) was here in order to put his case before the house with adequate clarity. His case merely strengthens the position I was taking. This bill which we are now discussing can hardly be of any value whatsoever to the farmers in western Canada as has been abundantly shown in the debate up to the present time.

The other bill which is yet coming along, which provides for the payment by the government of a certain amount of storage on grain which has accumulated in the country by reason of the fact that the government is unable to dispose of that grain abroad, will be of real value to everyone who has grain in storage. That is the bill which the hon. member for Vancouver-Burrard should support, because it is one which will help the farmer, but it is the one which he opposes. The bill which will burden the farmer with a great deal of debt and which will destroy the farmer is the bill he is willing to see go through.

Before the recess I was indicating that I thought there are a great many people in the country, altogether too many in the provinces of Ontario, British Columbia and the maritimes, who fail to understand the true situation in respect of the wheat growers of the three prairie provinces, and who are therefore quite wrongly led with respect to the prosperity which is supposed to exist on the prairies.

I was pointing out that the wheat growers of the three prairie provinces have done a great service to the nation through the years, from 1890 on, for example, by raising grain which has invariably been sold for exceedingly valuable foreign exchange, which has helped Canada to keep herself above water in the payment of her international commitments.

I was also pointing out just before six o'clock that a very serious blunder was made by the government in Ottawa in granting the steel producers an increase of $5 a ton in the price of steel in April, 1946. This was done by the government including the present Minister of Trade and Commerce and the present Minister of Agriculture. They cannot possibly escape the responsibility for having done this. In doing this they were backed by their party. I heard not a member dissenting. The responsibility is shared by a large percentage of the people in the Progressive Conservative party, these people representing all the provinces of Canada. There is no way in the world whereby the provinces I referred to, Ontario, British Columbia and the maritimes, can escape the indirect responsibility for that $5 advance in the price of steel.

That advance in the price of steel has put the farmers in the three prairie provinces at a disadvantage the seriousness of which

no one in the country begins to realize. In large measure it has meant disaster to the prairie farmers. The only way they could have avoided disaster would have been to dispose of their grain at good prices, which they have not been able to do. I propose to go into that matter just a little more fully in the time that remains at my disposal.

Let us not forget, first of all, that when the advance in the price of steel of $5 a ton was made the steel workers demanded and got their share of the $5. They went on strike for 82 days. At the end of the strike they won their point, which gave them an increase in wages, and this resulted in an increase in wages for virtually every section of the labouring class in the Dominion of Canada, thereby forcing up the cost of Canada's production.

This had nothing whatsoever to do with inflation. It was a forcing up of prices, a price manipulation. At the same time the increase in the price of steel forced up the price of every commodity into the processing of which the matter of steel entered, which includes, of course, almost every industry in Canada.

If we can only get that clearly in our minds we will begin to see one of the great causes of the trouble which today exists among farmers in the three prairie provinces. So many people nowadays are saying that this rise in price which we have sustained is inflation. Every hon. member in this house should know, and if he does not know it is a reflection on him, that the rise in price had nothing to do with inflation. It had nothing to do with the amount of money in circulation, and it had nothing to do with the shortage of goods. There were plenty of goods whenever any one of the increases in price occurred, and it is impossible for anyone to show there was not. Consequently there was no justification whatsoever for the increase in price except that the increase in the cost of production had come about through manipulation and not through a shortage of goods.

As I said a moment ago, this increase in the price of steel is at the bottom of the major cause of the difficulty confronting the farmers at the present time, which is a difficulty I feel everyone in Canada would be glad to help the western farmers out of if the truth were known.

Let us see what has been the result of these increases in the price of steel. The *Financial Post* in a survey shows that 25 corporations which do business with farmers increased their average profit after taxes by 402 per cent between 1946 and 1954. This means in effect that the government by permitting the $5 increase opened a back gate and turned into the Queen's garden a whole herd of hogs that had no respect at all for the welfare of the people; they just grabbed and gouged every single cent they possibly could and that herd of hogs is practically entirely made up of these 25 corporations. Those corporations were getting plenty of money with which to carry on during the war and they made good profits; but after the war, through this manipulation of the $5 a ton increase, they were simply allowed to go freely at will into the pockets of the Canadian consumers to rob them of every cent of which it was within their power to rob them.

The figures I have given indicate in some measure the result of that situation. These figures which I have given hon. members will be able to verify by consulting page 7 of the submission to the government of Canada by the interprovincial farm union council, which was presented on February 16, 1956. Remember that this document is quoting a survey conducted by the *Financial Post*.

Let me repeat once more that that is the cause of the difficulty which is ruining the farmers in the three prairie provinces. In the main those farmers rely upon grain, especially wheat, as the means whereby they can pay the excessive costs which have been brought about by the profits these companies have taken. Anything which affects the price or the ultimate value which the farmer derives from wheat will put him under an unbearable pressure financially.

We can consider this matter of purchasing power in another way, and I am going to cite some other figures for hon. members to contemplate to indicate the amount of money taken by these corporations from the people of Alberta.

Mr. Howe (Port Arthur): On a point of order, we are listening to by far the most intelligent speech we have had from the opposition during this debate, but I suggest that we are wandering away from the subject matter of the amendment.

Mr. Blackmore: I was not able to hear all that the minister said, but I draw his attention to the fact that this amendment is calling for the reference of this bill to the committee on agriculture and colonization, where all sorts of abominations like those which I am revealing will be brought to the fore and the people will be educated. Apparently the minister does not want that to happen.

Mr. Howe (Port Arthur): I like your speech.

Mr. Blackmore: It will not do the minister any good after all the facts are out, not by

any means. How could a person be following lines more relevant to the amendment before the house? This is the kind of thing which shows why the western farmers ought to have advances instead of loans, ought to be paid storage, not only for grain in the elevators but for grain on the farms. Those are the two great things the western farmers are needing and are asking for today. I think the minister is out of order on the matter.

Mr. Speaker: I know how strongly the hon. member feels as to the correctness of the points he is bringing forward. I have been following him closely ever since he commenced to speak before six o'clock and continuing from eight o'clock. As I said at six o'clock, having laid the general foundation for his speech I was hoping he would bring his remarks more closely to the principle of the bill.

It is quite true that if one wanted to be relevant to the principle of a bill regarding short-term credit to grain producers, and yet attempt to show the effect of the economic situation on farmers over a certain period of years, he could make a speech which would be far afield as far as the subject matter of this bill is concerned. Earlier I stopped hon. members on the grounds of irrelevancy who certainly had not wandered away quite as far as the hon. member has.

Cash advances to farmers were the subject of an amendment moved to the address in reply to the speech from the throne, which amendment was fully debated and voted upon by the house. It is difficult in criticizing this bill not to indicate a preference for cash advances, but if in trying to make that point the hon. member refers to the ill effects of an increase in the price of steel; if he refers to that particular factor and others in the same category during the greater part of his speech and refers only indirectly to the measure now before us, then I do not think it makes for orderly debate.

Mr. Blackmore: Mr. Speaker, I am not sure in what position I am now standing. Do I conclude my speech or may I continue?

Mr. Speaker: It is very simple. I am asking the hon. member to speak to the bill. I am trying to indicate to him that the way in which he has been speaking is not as relevant as I believe the rules would want him to be.

Mr. Blackmore: I bow to your ruling. Maybe I am not able to detect relevancy, but if it were proposed that advances should be given to farmers the first thing I would want to know would be how badly off are they. That is just exactly what the minister has been trying to argue all the way through. He and the Minister of Agriculture have been arguing along those lines. It is as simple as A, B, C.

Then the next thing I would want to know would be what caused them to be that way, how it was that they were so badly off. Was it because they have not been good managers? Was it because of any fault of their own? The figures I intend to advance show that it was not any cause of their own making.

Mr. Howe (Port Arthur): The price of steel.

Mr. Blackmore: The price of steel enters into their very existence.

Some hon. Members: Oh, oh.

Mr. Blackmore: This is no laughing matter. Every farmer who buys a combine or any machine whatsoever has his cost of production increased by the increase in the price of steel. Everything which causes his cost of production to rise creates an additional cost-price squeeze. There is no doubt about that. Under the circumstances I would say that it would be absolutely impossible to discuss this amendment with greater relevancy than I am doing at the present time. That is perhaps contrary to the opinion of Mr. Speaker and I bow to your ruling, but I am quite sure that is the way the majority of farmers see it.

I was going to give two sets of figures which are very brief but which are most enlightening. If after I have given these figures Mr. Speaker feels that I should discontinue this discussion, I shall gladly do so. I was going to give figures to indicate what had been taken away from the farmers and people of Alberta, Saskatchewan and Manitoba during the period 1940-45, when we were under price controls and when apparently the companies were getting along all right, in contrast to what was taken away during the period 1946-54, when the hogs were loose and the herd was running in every direction.

During the period 1940-45 those companies took out of the hands of the consumers in Alberta $320,041,005, but during the period 1946-54 they took from the pockets of the people of Alberta $2,877,463,723. If you want to find out why the farmers in Alberta, who had to absorb the greatest proportion of the impact of that situation, are in difficulty, it is so plain that even the minister should see it.

In Saskatchewan during the period 1940-45 they took away from the people $392,639,284, whereas in the period 1946-54 they took away $2,723,168,516. It is said by the Minister of Agriculture and the Minister of Trade and Commerce that the farmers of Saskatchewan

are not in bad condition. One would have to be blind not to see the impact of that situation.

In Manitoba during the period 1940-45 these companies took out of the pockets of the people $293,639,220, whereas in the period 1946-54 they took out $2,220,455,357. Do you wonder that the farming people in those provinces are in difficult circumstances? What would you do about it?

Before I go any further, let me point out once again that the responsibility for the incursion of the hogs into the Queen's garden lies on the Minister of Trade and Commerce and the people with him in the cabinet who made the decision to permit that $5 advance in steel. It lies on the people who supported that motion, who came very largely from Ontario, Quebec, the maritime provinces and British Columbia. There is no way of escaping that responsibility. The responsibility for this difficulty in which we find our prairie farmers lies on the government that is now in power.

The question now is, what are we going to do about it? I am not going to prescribe now what has to be done about it but, whenever it is suggested that the western farmers need advances or that they need payment for storage on farms or in elevators, I do urge upon every hon. member of this house from every province outside the prairies to bear these facts strictly in mind.

Mr. Daniel McIvor (Fort William): Mr. Speaker, there are just three things I should like to say. I was interested today when the hon. member for Saskatoon spoke. He said something about this bill being a joke. Coming from the same part of the old land, I have a warm spot in my heart for one who was an old neighbour of mine. But I would say it would be no joke if any hon. member in the opposition could stand up now and say something new—

Mr. Cardiff: I could do so but I am not going to.

Mr. McIvor: —and, second, if he could stand up and make a speech without repeating something sensible that somebody said before. The right hon. minister said something about "blather". I looked up the dictionary to see what "blather" was. It is talking nonsense. If any hon. member can stand up in this chamber and take the time of this house and the taxpayers' money without repeating something, he is talking sense. But if he has to repeat, I say he is just plain blathering.

Mr. Claude Ellis (Regina City): If it had not been my intention to say a few words at this stage, Mr. Speaker, I should have decided to do so after the last few remarks that were made. Some reference was made to the fact that we are here at the taxpayers' expense to conduct the affairs of parliament. I suggest that one need only look at the contributions —and I use that word quite loosely—of government supporters who have spoken on this measure. Tonight's Ottawa *Journal* has some reference to the hon. member for Swift Current-Maple Creek (Mr. Studer) as having the last word, which outlines the only contribution he has had to make on this matter which affects so many of his constituents and which has a great effect on the economy of Canada as a whole. We expect—

Mr. Studer: Mr. Speaker—

Mr. Speaker: If the hon. member wishes to correct some of the remarks made by the hon. member for Regina City affecting him, he may do so if the member who now has the floor is willing to yield. Apparently he is not; therefore the hon. member for Swift Current-Maple Creek may speak at the end of the hon. member's speech.

Mr. Studer: Could I ask the hon. member a question?

Mr. Ellis: I suggest that after I have concluded my remarks, the hon. member for Swift Current-Maple Creek can take all the time he requires to answer what I have to say. I wish he had the courage to stand up and make a speech instead of making interjections all the time.

Mr. Speaker: Order. I think perhaps one should not generate more heat than one can control. When the hon. member said, referring to the hon. member for Swift Current-Maple Creek, that he wished he had the courage to stand up in this house and make a speech, I think he went beyond what he really wanted to say. I think he should have modified that remark or replaced it by another.

Mr. Ellis: Mr. Speaker, I will put it this way, that I think we all enjoy interjections made during the course of a debate, but while the interjections are enjoyable at the time, there would be more point to them if the individual concerned were prepared to get up and give his views on this matter. The hon. member has been strangely silent. The amazing thing is that I found on reading the last edition of the Swift Current *Sun* that there is an article submitted by the hon. member—

Mr. Speaker: Order. The hon. member is now explaining why he made the statement. I would ask him to withdraw the statement that the hon. member for Swift Current-Maple Creek has not the courage to stand up and make a speech.

Mr. Ellis: I will withdraw that, certainly.

An hon. Member: Magnanimous.

Mr. Ellis: The hon. member, while not having made a speech in the house on this matter, has gone into print in his own constituency, and he has referred to this bill as being unpalatable. We have heard some reference to an editorial in the Winnipeg *Free Press* to the effect that we have a western Tucker and an eastern Tucker, a member with one voice in the west and another voice in the east. We have an indication of the same sort of thing in this instance. Here is a member who in writing a news letter to his constituents will refer to this legislation as unpalatable, yet he has not had a word to say about it in this house. All he has had to contribute to this debate is a lot of asinine interjections. It is quite apparent that if the word "socialist" were removed from his vocabulary, it would be cut in half.

Mr. Studer: Regina windbag.

Mr. Speaker: All these interjections are very entertaining, but the one that has just been made by the hon. member for Swift Current-Maple Creek is one that should not have been made. In referring to an hon. member, he should do so by calling him "the hon. member", and no other expression should be used. Therefore I shall ask him to withdraw the one he has just applied to the hon. member.

Mr. Studer: I would be glad to withdraw that, and just suggest that if he were on a farm you would just call him a windmill.

Mr. Speaker: If I may ask the hon. member to be just as serious as I am trying to be for one moment, I would ask him to withdraw the first and second expressions without any condition whatsoever.

Mr. Studer: Could I offer a substitute again, Mr. Speaker?

Mr. Speaker: No.

Mr. Studer: I will withdraw.

Mr. Ellis: I was merely suggesting that the hon. member who has been making the interjections has been the only member now who has, technically speaking, not taken part in this debate. I say "technically speaking" because there were two efforts by private members from Saskatchewan the other day, and perhaps while I am on this point I should make some reference to both of them.

The hon. member for Meadow Lake (Mr. Harrison) rose in his seat the other day and spoke for about a minute and a half. On reading his speech in *Hansard* I find it very difficult to understand why he rose, except that I recall that on the previous day there had been some reference to the fact that some of the members from the province of Saskatchewan had not spoken. I presume he thought that, having risen in his place and made a few remarks, none of which in any way had anything to do with the matter before the house, he would be absolved of any further charges that he had not participated in the debate. I presume he is hoping at the same time that the people back home will not have any knowledge of the extent of his contribution.

Then the hon. member for Qu'Appelle (Mr. Mang) took part in the debate the other day, and I wish to refer briefly to what he said because apparently some of the behaviour and mannerisms of the Minister of Trade and Commerce are spilling over into some of his followers. I noted that the hon. member for Qu'Appelle had this to say, as found at page 1169 of *Hansard* of February 14:

> I am getting just a little bit tired of all this finagling around all over the field of general farm policies when this has nothing to do with the question of a general farm policy.

Inasmuch as the hon. member represents a rural constituency, one would imagine that under these circumstances he would welcome a discussion of farm policies and would be only too eager to participate, give us the benefit of his years of experience and give some direction to the government. However, that was the extent of that contribution. I suggest, Mr. Speaker, that in this debate the supporters of the legislation have a duty to perform. It is their job to put forth cogent reasons why the legislation should be passed. It is the duty of those who are opposed to the legislation to give sound reasons why it should not be approved by the house.

I suggest that if you go through the records of this debate you will look in vain for any reasonable argument put forward by supporters of the bill as to why we should accept the bank loan legislation now before the house.

Mr. Mang: Mr. Speaker, may I ask a question? Did you read the speech in its entirety?

Mr. Ellis: I will do that. I will be glad to.

Mr. Speaker: May I tell the hon. member for Qu'Appelle that I did not. He asked me if I had read the debate in its entirety. I did not.

Mr. Mang: I was asking the hon. member.

Mr. Ellis: The hon. member for Qu'Appelle has asked me to read the speech in its entirety. It would not take me very long to do that. As a matter of fact this is what he had to say, and I think it is particularly

interesting in the light of an event which occurred in this house a week ago. As found at page 1168 of *Hansard* of February 14 he said:

> I do not see how anyone could hold up the passage of this temporary measure with any justification whatsoever. Indeed, all of this discussion has merely postponed the next measure to come before us which will probably be Bill No. 83 which does attempt to and will provide a part of a long term policy.

Then he continued in that vein. On the next page he said:

> All of the discussion that is going on is simply holding up our proceedings, and that in the long run will hold up the final payment which will be made subsequent to the passing of Bill No. 83. Do not let anyone say that Bill No. 82 is deliberately placed where it is before Bill No. 83 which deals with storage and interest charged. That was the businesslike way of doing it, that was the natural order of precedence. Let no one be unbusinesslike enough to get up and say that that is not so.

Well, there are a good many of us over here who are quite willing to say that is not so. There was no particular reason why the government should not have placed the resolution preceding Bill No. 83 before that preceding Bill No. 82. That was a government decision. There is no reason whatsoever why the government could not have placed the one before the other. They chose to place this most controversial piece of legislation ahead of the other item on the order paper.

Apparently the hon. member was not in his seat or was not aware of what went on at the time, but I made reference on a previous occasion to the fact that in committee we witnessed a very interesting spectacle when the hon. member for Rosetown-Biggar (Mr. Coldwell) moved that we rise and report progress. One of my colleagues reminds me that the hon. member for Qu'Appelle was the only private Liberal member from Saskatchewan who was in the house at the time. Therefore he will recall the incident.

Mr. Speaker: Order. I really do not see what this has to do with the principle of the bill. The hon. member recognizes that the proceeding to which he is now referring took place several days ago. If he wishes to take stock of what that division meant, then I would point out that there have been other divisions since and we would begin to have a discussion of the situations as they arose with respect to each of these divisions. We would get away from the principle of the bill altogether.

Mr. Ellis: Mr. Speaker, I appreciate your comments, but I was making the remarks I did in direct reply to the remarks made by the hon. member for Qu'Appelle. He has placed statements on record purporting to indicate that we are holding up the passage of Bill No. 83.

Some hon. Members: Hear, hear.

Mr. Ellis: That is the statement the hon. member has made, as appears from what I have quoted.

An hon. Member: Call it now.

Mr. Ellis: In reply to that I am simply reminding the hon. member that the government had the decision as to which item would be called first.

Mr. Speaker: As I heard the hon. member, he has already made that point. He has already said that the government chose to place Bill No. 82 before Bill No. 83, and we are now on Bill No. 82.

Mr. Ellis: I think perhaps you have made my point quite clear, Mr. Speaker, in your last remarks, and I am prepared to pass on to the next matter. I suggest that in reading the speech of the hon. member for Qu'Appelle hon. members will fail to see any reason advanced why the hon. member is supporting this legislation at the present time and why he is opposing the amendment. When hon. members take part in the debate I think they have a responsibility to put forward reasons why they are taking the stand which they are taking, and I suggest that the hon. member for Qu'Appelle added nothing to the debate.

I make this statement reluctantly but in reply to certain comments made by the hon. member for Fort William (Mr. McIvor), who made some derogatory remarks about members who have taken part in the debate. I think one must examine the records and determine just who have made the most constructive speeches in the debate and which side has put forward the most cogent arguments, the supporters of the legislation or the opponents of the legislation.

An hon. Member: A temporary measure.

Mr. Ellis: The matter that brought me to my feet in the first instance was the speech made the other day by the hon. member for Rosthern (Mr. Tucker). He addressed the house the other day and in this particular case he was the hon. member for Rosthern from the east. I checked his speech very thoroughly, and I find that the only thing which might pass as a reason why we should support the legislation is the oft repeated and oft refuted argument that the government, somehow or other, is complying with the wishes of organized agriculture in the west.

He went further than that. He went so far as to suggest that all the farm delegates

who met the government last fall were unanimous in their support for bank loans. He even went so far as to suggest that the government of Saskatchewan had approved the principle of bank loans.

Mr. Tucker: Mr. Speaker, I rise on a question of privilege. I suppose nobody should pay any attention to the ravings of the hon. gentleman opposite, but after all, when he deliberately misrepresents what I said, I suggest that I should draw that fact to the attention of the house. I did not say that they passed the bank loans. I said what the government did was consistent with what they asked for.

Some hon. Members: Oh, oh.

Mr. Speaker: In correcting what the hon. member has said and in referring to the hon. member's speech, the hon. member for Rosthern (Mr. Tucker) should not indicate that the hon. member for Regina City (Mr. Ellis) is deliberately misrepresenting what he said.

Some hon. Members: Withdraw.

Mr. Speaker: The expression "deliberately" should be withdrawn.

Mr. Tucker: The reason I said it was that I made it so plain and repeated it so often—

Mr. Nicholson: Withdraw.

Mr. Tucker: —that I think a school teacher could not misunderstand what I said.

Mr. Speaker: Order. Even though the hon. member has suggested he made the matter plain, he has also made it plain that he used the word "deliberately" which should be removed. That word should be withdrawn. I am sure the hon. member will accede to my request.

Mr. Nicholson: Withdraw.

Mr. Tucker: I withdraw, Mr. Speaker. I would say that he blindly and stupidly said it.

Mr. Ellis: Mr. Speaker, I must assure you that I am not particularly concerned about the type of remarks which we have just heard from the hon. member for Rosthern. I think of some of the comments he made during his speech the other afternoon when he complained about the heckling by the opposition. As reported at page 1159 of *Hansard* he said this:

> I ask you to bear in mind, Mr. Speaker, when I was attempting to put this to the house the sort of opposition I got from the C.C.F. opposite. They interrupted deliberately and tried to prevent me from putting it before the house.

[Mr. Ellis.]

I suggest, Mr. Speaker that every hon. member has every opportunity for putting his case before this house. I think it ill becomes a member to complain because certain hon. members opposite are putting him right, keeping his train of thought on the right track and perhaps assisting him to stick to the pertinent points. As reported at page 1159 of *Hansard* he said this:

> I have now brought this submission, signed on behalf of the government of Saskatchewan, endorsing every word I said.

Those are the exact words of the hon. member for Rosthern. He came into this house and said, "What I have said has been endorsed by the government of Saskatchewan". That is the statement he made. I am quoting his own words.

Mr. Knowles: That will be the day.

Mr. Ellis: In the light of all that, I think we ought to set the record straight. The other day the hon. member was quite concerned about setting the record straight. In fairness I suggest that we ought to make it quite clear where the government of Saskatchewan stands on this question of bank loans. Hon. I. C. Nollet, minister of agriculture in the province of Saskatchewan, made this statement:

> I supported the wheat board payment proposal on behalf of the government of Saskatchewan as the fairest and most practical way to deal with the situation.
>
> Since the farmer has so far carried the entire load of storage and marketing costs and is now faced with lower prices, he should not be compelled to borrow money from a bank on grain in the bin which through no fault of his own he is unable to market. We feel that advance cash payments on farm-stored grain must become an established part of wheat board marketing, . . .
>
> This view has been endorsed by the Saskatchewan legislature and has been brought to the attention of the Right Hon. C. D. Howe on several occasions . . . I again brought this matter to the attention of the federal government at the conference.
>
> It was disappointing to find the federal government had already decided that regular lending institutions would be called upon to meet the immediate situation, rather than employing an advance payment plan.

Those are the exact words of the minister of agriculture in the province of Saskatchewan. Yet the other day the hon. member for Rosthern made a direct statement to the effect that the interpretation which he placed on the Saskatoon conference had been endorsed by the Saskatchewan government.

While we are on this point, Mr. Speaker, may I say this. I just wonder what organizations at the Saskatoon conference had wanted to take bank loans. I wonder whether the hon. member for Rosthern could inform hon. members of the house what organizations at that conference asked for bank loans. Was it the wheat pool? Was it the Saskatchewan

farmers' union? The hon. member for Rosthern is not able to name one Saskatchewan farm organization which at that conference came out for bank loans.

What happened was this. When the delegation came to Ottawa, in an effort to present a unanimous report they were a little bit vague as to the manner in which this policy was to be put into effect. But here is the interesting point. The other day the hon. member for Rosthern was reading into *Hansard* the resolution passed at the Saskatoon conference and, as appears at page 1158 of *Hansard*, he read into the record the following:

> While the principle of cash advances on farm-stored grain was unanimously endorsed by the organizations present at the conference various proposals were offered on the mechanics of making these advances.

Then the hon. member went on to quote four alternative methods of putting the scheme into effect, one of which was that of bank loans. The hon. member selected the proposal which suited his convenience, the one of which he approves and of which the government approves, namely that of bank loans; and he says because the conference were not specific they obviously meant bank loans. But bank loans were only one of four proposals put forward. Then by the same token he argues that because they did not say cash advances on farm-stored grain paid by the wheat board, they are therefore opposed to cash advances paid by the wheat board.

It seems to me, Mr. Speaker, that that is entirely a matter of the interpretation of each individual person who reads these resolutions. However, I draw to the attention of the house the fact that the hon. member chose the one alternative which suited his purpose, the one alternative on which this government had decided. Because the delegation made a mistake, in an effort to present a unanimous front—because they made the mistake of not being too specific—they fell into the error of having a wrong interpretation placed on their recommendations by the government and by the hon. member for Rosthern.

If it is logical to say that the delegation asked for bank loans, I suggest that it is just as logical to say that they asked for cash advances paid by the wheat board. The very fact that they were not too specific can in no way be used as an argument in favour of the legislation now before this house. I think that is a matter that is quite serious. The other day the hon. member for Rosthern, several times—and I believe the hon. member for Winnipeg North Centre (Mr. Knowles) got to his feet on the occasion on a point of order—as reported at page 1160 of *Hansard* said:

> . . . they are deliberately misrepresenting the record.

At that time, Mr. Speaker, I was not too greatly worried because I think the people back home will be able to judge the hon. member and his interpretation of this particular matter. However, I want to suggest this. The other day the hon. member was complaining because of a little bit of heckling from this side of the house. I suggest to him that the heckling he got in this house was not nearly as severe as that which he will get back home if he goes out and tries to sell the same sort of line to the people there.

When the hon. member first brought this excuse before this house for supporting this bank loan provision, I interjected a remark to the effect that "You will not sell that back home". I stand by that remark. I am quite satisfied that the hon. member for Rosthern is not going to be able to go back to a public meeting in the prairie provinces and try to read into the record the interpretation which he placed on those resolutions in this house.

Mr. Argue: He cannot even do that on television.

Mr. Ellis: Some reference has been made to television, and I suggest that the hon. member take exceptional care, because in making statements from the public platform one is not accorded the protection of a soundproof broadcasting booth in a television studio.

I have referred to the speeches made in this house by Liberal members from my own province. I have gone through them very carefully in an attempt to find out what reasons they are advancing for supporting the legislation before us. I have not found a single reason put forward. I am wondering why they are supporting it if it is not because they are toeing the party line.

Some reference has been made to the leader of the Liberal party in Alberta who appeared on "Press Conference" last night. He stated in no uncertain terms that Liberal fortunes were not too good at the moment in the west in view of the agriculture policy being put forward by this government. He went on to say some glowing things about his own province, but when the reporters asked of him how he thought the Liberal party in western Canada was faring in the light of the agriculture policy being put forth by the government, he hesitated somewhat and then began to damn it with faint praise.

I referred earlier to the attitude of the leader of the Liberal party in Saskatchewan.

Initially he had the same reaction as hon. members of the C.C.F. group, that the legislation was completely inadequate and was not going to do the job which we felt had to be done.

We have an amendment before the house which, if it passes, will send this bill to the standing committee on agriculture and colonization. I am at a loss to understand why the government will not accept this amendment. We recall that the other night the Minister of Trade and Commerce issued a threat —perhaps on reconsideration I could properly describe it as a bluff—that if we were not good boys he was going to put off this legislation until June. If that is his attitude, I am curious as to why the Liberals do not vote for this amendment and send it to the committee. Then this bill would not come before the house for some time. If the minister is interested in putting off this matter we have opened the door for him. All he and his Liberal followers have to do is vote for the C.C.F. amendment to refer this matter to the committee. After the committee has discussed it and after the various farm organizations have had an opportunity to make their representations, the matter can be brought back before the house.

I do not believe anyone need feel too much concern over the fact that this matter is being discussed. It is being discussed thoroughly because the government has not accepted this amendment. When we find hon. members reading resolutions which are quite clear to all who wish to read them properly, and interpreting them in such a fashion as to completely defeat not only the intent but the spirit of those resolutions, then I think those people have a right to clarify their position. Some other members have mentioned that if we were to refer this bill to a committee it would enable the farmers in western Canada to make their representations. They would then be in a position to let the government supporters know how they feel on these matters.

By the way, Mr. Speaker, I hope that perhaps the Liberal members from Saskatchewan have a little clearer understanding of the problems out west since their meeting with the farm union delegation. I trust that they paid strict attention to the representations made, and I hope they will have had some effect on the way those members are going to vote on this particular measure.

We have had arguments advanced as to why we should support the legislation. We have had arguments against the legislation. But I suggest, looking at it from an objective point of view, that if hon. members were to go back to the record of this debate and draw up a balance sheet of the arguments in favour of and against this legislation there would be no question as to where the bulk of the evidence would lie.

We have had speeches by the Minister of Trade and Commerce, the Minister of Agriculture and private members supporting the government, but we have not had any discussion about the impact this legislation will have on the prairies. The hon. member for Humboldt-Melfort (Mr. Bryson) yesterday put before this house certain figures to indicate the effect this legislation would have on the small farmers on the prairies. He referred specifically to farmers with a quarter section, a half section and three quarters of a section, and indicated the extent to which those people could obtain loans.

We have had no discussion from government supporters. They have not considered the implication of the legislation. They have made up their minds it is good for the people out west and they are going to force it on us whether or not we like it. In my judgment that is the best reason why this house should vote for the amendment to refer this bill to the committee on agriculture and colonization, where it belongs.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, a long silence in connection with this measure does not indicate by any means that I am not interested in what is before the house. I think it would be fair to say that this condition we are trying to remedy did not come upon us in the last few months. It has been with us now for three or four years. Farm income has been steadily dropping. We are now asked to put the rubber stamp of approval on a hurry-up measure that is already in operation. As I recall it, the minister said that practically all the loans that are going to be made under this legislation have been made. Since we have had this decline in farm income for some time, surely we should not have had to rush in with something in the middle of November and now come here as a group to put on the rubber stamp of approval.

I had one other thing in mind when I rose. Since there is a group of people from the farm union here, I should like to see someone on the government side stand up and explain why this bill should not go to the agriculture committee. It is all right for someone to get up in the house and flatly say, "No", but I think we should know why the government take that stand. I should like to have someone on the government side explain that to the house.

That is about all I have to say on this measure at this time. I may have something else to say when the bill goes to committee. I would urge the government to explain to us, Mr. Speaker, exactly why this bill could not go to the committee after second reading, and why they would not give an undertaking to have that done.

The house divided on the amendment (Mr. Johnson (Kindersley)) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Gillis
Hahn
Hamilton (Notre Dame de Grace)
Hansell
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McLeod
Michener
Montieth
Montgomery
Nicholson
Nickle
Nowlan
Pallett
Patterson
Pearkes
Quelch
Rea
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Stanton
Starr
Thatcher
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—69.

NAYS

Messrs:

Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Dickey
Dumas
Dupuis
Eyre
Fairey
Forgie
Fraser (St John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hardie
Harris
Harrison
Healy
Hellyer
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacNaught
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robinson (Simcoe East)
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Simmons
Smith (York North)
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Villeneuve
Weir
Weselak
White (Waterloo South)—129.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in spite of the warning by the Minister of Trade and Commerce this has become a debate on second reading, which is the place where a debate should take place. The only thing that has degenerated during the course of this debate is the government side of the house, which apparently is suffering from a severe attack of silence which obviously has been imposed upon it by the Minister of Trade and Commerce.

An hon. Member: Untrue.

An hon. Member: Withdraw.

An hon. Member: Silly.

Mr. Drew: It is at least good to know that the hon. members supporting the government have voices, because we have not heard them in the debate. It would have been extremely helpful if some of those who have been making interjections, who have been speaking

so freely from their seats, had stood up and said some of the things they are saying in these buildings but outside of this chamber in regard to this bill.

An hon. Member: Fairy tales.

Mr. Drew: There is not an hon. member opposite who will suggest for one moment that there are not many hon. members on the other side who have expressed their disapproval of this bill but who will not express it here.

We have indicated quite clearly that we sought to have provision made that would in fact bring relief to the farmers of western Canada at a time when they need cash and need it desperately in the midst of all this immense accumulation of grain. The explanation we have had that this is only because of a succession of good crops is simply an evasion of the reality which must be faced and which this government has not faced.

When we were at the resolution stage I indicated that we hoped the government would still bring down legislation which, if they still insisted on bringing this in, would combine with it the provision for cash payments for farm-stored grain. We did not have the legislation before us. We had been told that the government was going to introduce legislation to provide for loans by the banks.

Of course the government acted in the way it ordinarily acts in relation to parliament. We had urged that we have a special session last fall to deal with this. That would have been the proper way to deal with this subject. Before this government told the banks to go ahead and make loans, no matter what their majority is, there should at least have been a sufficient measure of apparent respect for the independence of its members not to assume in advance that they would necessarily rubber-stamp what the government did. We should have been called together here to pass upon legislation of this kind. Had we been brought together, we could then have urged from the very beginning the kind of legislation we think would deal with this situation.

It will be recalled that when we indicated at the stage when the motion was before us that it was expedient to introduce legislation, we were pressing then for a broadening of the legislation, a widening of its application to embrace payments on farm-stored grain. We supported that resolution simply for the purpose of proceeding and permitting the government to consider what legislation it would bring in. It now brings in legislation that is similar in all respects to an act which over and over again they have told us was no good. This bill before us is almost identical with the bill introduced in 1951 under the title of the Prairie Grain Producers' Interim Financing Act, 1951. Over and over again we have been told by the government that this act was ineffective.

Surely we had reason to expect that we were not simply going to have a repetition of an ineffective act. Surely we had reason to expect that, with the experience they explained had resulted from that act, whatever legislation was brought in would overcome its objectionable features and be amended to make it more effective, even within the limited field with which they were prepared to deal. They have not done that. They have re-enacted the same act. There are certain provisions that differ, but those provisions that differ are even more onerous than the provisions in the original act.

Now we have before us the Prairie Grain Producers Interim Financing Act, 1956, with all the offensive provisions of that earlier act which made it so ineffective in bringing relief to the farmers at that time, and make it even more ineffective today because of a particular provision which I shall mention.

I thought we were dealing with the problem of providing loans. To read this you would think we were dealing with potential criminals. To read this you would think it was expected that everyone we were dealing with was likely to look for some way of getting out of his obligation. There are all sorts of provisions in this act that go far beyond any ordinary loaning provisions. As has already been pointed out, this act provides for imprisonment for debt, something that we thought had been removed from our laws generations ago. It is true that a similar provision was in the 1951 act, but we thought, from the government's own statements, they had learned how unsatisfactory that act was. Then look at the provision in section 9.

Mr. Speaker: Order. I was not aware that previous speakers had referred to sections but, if they have, they were not in order, any more than the Leader of the Opposition is now. I would quote citation 656 from Beauchesne's third edition:

> On the motion for the second reading, it is out of order to discuss the clauses of the bill.

Mr. Drew: I should not have quoted the number of the section. The bill provides for penalties of an extraordinarily severe nature. In the act—

Mr. Speaker: Perhaps I should have said that one should not discuss the sections either directly or indirectly.

Mr. Drew: But, Mr. Speaker, I submit that it is open to an hon. member to indicate

what the bill does. Otherwise we would have achieved the result the Minister of Trade and Commerce wants, that there be no debate.

Mr. Speaker: No; the Leader of the Opposition should not take that inference from the representations I have made to him. I do think I have made the point clear that, according to Beauchesne, citation 656:

> On the motion for the second reading, it is out of order to discuss the clauses of the bill.

It does not say whether they are referred to by number or whether they are referred to in the fashion in which the Leader of the Opposition has done.

Some hon. Members: Oh.

Mr. Speaker: Hon. members should know—and I think they do know—that the rules I have to administer are their own rules. I did not make them. If they do not want me to administer them in the way I think they should be, they have a recourse, and that is to appeal the rulings I make. That is the only way. Now, if they want to make further representations I would be very pleased to hear them, but I think they should let me perform my duties and not indicate in the way they have that I should not have interrupted an hon. member and reminded him of the rules.

Mr. Drew: Since there is a record made of the debate, and there seems to be some promise that the record may be more permanent—

Mr. Speaker: This reference now is a slight on me.

Some hon. Members: Oh.

Some hon. Members: No.

Mr. Speaker: It is; because I have just had the floor and made some references to the hon. member. In the hon. member's remarks he has just made, I think he is referring to an action that I took myself the other day and that was referred to in this house on Monday. I know the hon. member does not want to make any reflection on the Chair.

Mr. Drew: There was no reflection on the Chair. The reflection was on the Minister of Agriculture, as I made perfectly clear on the occasion when I first raised this subject.

Mr. Gardiner: I am at least able to keep within the rules of the house when I speak.

Mr. Drew: When I was making my remarks I was speaking about the onerous provisions of this act. Do I understand there is a ruling against dealing with the onerous provisions of this act?

Mr. Speaker: No, the Leader of the Opposition was dealing, as he said, with the provisions of this bill and he referred to the one dealing with imprisonment for debt. After having dealt with that one he proceeded to another which at that moment he identified by naming the number. He said "section 9". When I told him he was not to refer to sections he said, "I agree with the Speaker's ruling and will not do so." But he proceeded then not to refer to section 9 but to refer to what is contained in section 9. Without mentioning the number he went on to talk about the section.

Mr. Drew: Mr. Speaker, the record will indicate quite clearly what was said. I had spoken about the onerous provisions contained in the bill and the difficult features that are presented to those who are called upon to make loans in this way. One of the things the bill deals with is the quota book. In relation to our proposal, which has been made over and over again, a very simple method was available, and that was simply to make an ordinary payment on the quota book in relation to farm-stored grain. We have been told about the difficulty of using the quota book, but this bill provides for the use of the quota book. The bill provides that where there is a loan made under the extremely onerous provisions contained in the legislation, there then must be an entry to that effect in the quota book.

Mr. Howe (Port Arthur): I never heard of the quota book. What is that? What is this quota book my hon. friend speaks of?

Mr. Fleming: Read the bill.

Mr. Drew: If the Minister of Trade and Commerce has a question I will be very glad to hear it but I cannot hear him when he is mumbling.

Mr. Howe (Port Arthur): I have never heard of a quota book. Perhaps my hon. friend will tell me what that is.

Mr. Drew: Permit book.

Mr. Howe (Port Arthur): I just want to be accurate.

Some hon. Members: Oh, oh.

Mr. Fulton: We are making progress.

Mr. Drew: Mr. Speaker, we have made greater progress in the last minute than at any time during this debate. Any evidence of a desire on the part of the Minister of Trade and Commerce to be accurate is in itself worth all the discussion that has taken place. The Minister of Trade and Commerce

knows perfectly well what is meant by a quota book. It is described in the bill as a permit book. It is known to the farmers as a quota book and is known to the Minister of Trade and Commerce as such.

It is typical of the way in which this debate has been conducted that an attempt should be made to create any suggestion that the minister was not fully aware of what a quota book is. A quota book is well understood by the farmers of western Canada as meaning the permit book described in the bill. One of the results of that endorsement of the loan in the permit book is that the farmer cannot then deliver his grain to the elevator and therefore he not only has the problem of not being able to deliver his grain but he has an entry on his quota book or permit book, if the minister prefers that term, which prevents him carrying out the very transaction that is going to make it easier for him to repay the loan.

It is a typical achievement of the draftsmanship of this government that they should have a provision of that kind. This legislation is a little worse than the 1951 act, but not much. That of course was the act that they thought was such an unsatisfactory act. We have urged the government to reconsider this legislation. We have urged the government to provide in any event for cash payments, and it is perfectly clear that this bill, which deals with the permit book, to use the name the minister prefers, could easily have provided also for cash payments in relation to that same permit book.

It could have been done. It has not been done. The motion that was made by way of amendment on behalf of the Progressive Conservative party was ruled out of order. An amendment was then moved by a representative of the C.C.F. party and we supported that amendment.

Now we come to the bill itself. The cash advances that we have sought certainly are in no way contemplated or provided under the legislation now before us. On top of that is the attitude of the government in dealing with this whole matter. We have had no real explanation why the government was not prepared to consider this, except some suggestions of dealing with the permit book as we have argued. There was a typical example in the debate yesterday of the way in which this matter has been dealt with. The hon. member for Acadia (Mr. Quelch) was asking that the bill be referred to a committee and, as reported at page 1210 of *Hansard* for February 15, the hon. member for Acadia, following an extended discussion of the amendment calling for reference to a committee, said:

> I suggest that instead of having to get this secondhand, we should get it firsthand. Let us refer this bill—

He was in the middle of a sentence when the Minister of Finance (Mr. Harris) said:

> If my hon. friend would permit me to answer his question, the answer is no.

That, Mr. Speaker, is typical of the whole attitude of the government—no attempt to explain to the members of the house, no attempt to explain why our very reasonable proposals should not be carried out.

As has already been pointed out tonight, if the subject matter of the bill had been referred to a committee then the whole thing could have been examined with representatives of the various farm groups present and there would have been an opportunity to find out firsthand from the farmers themselves exactly what it was they wanted. In any event, we now find ourselves simply with the bill, a bill that the government described as unsatisfactory in its 1951 form and a bill which, now that we have it before us, is definitely more unsatisfactory today.

The arrogance of the government in relation to this has simply been a further expression of their contempt of parliament. They have been unwilling to listen to arguments. They have brought down a bill they themselves said was bad, and they have made it worse by the revisions that are in it. We shall certainly vote against the bill on second reading.

Mr. Speaker: The question is on the main motion.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I am on my feet. I have had some criticism, Mr. Speaker, for having folded up very quickly last week when the Minister of Trade and Commerce issued his ultimatum. The people who sent me to parliament did not expect that I would be cowardly enough to stop speaking just because the Minister of Trade and Commerce made such an irresponsible suggestion. I should like to explain, Mr. Speaker, that we had all spoken once and we were about ready to have the vote on the resolution before the minister made his suggestion, and I should like to assure the house that our decision to let the bill be brought before us was in no way determined by the threat that the Minister of Trade and Commerce made.

I feel, Mr. Speaker, that private members on the government side have been placed in an unfortunate position in having had two senior members of the cabinet present this important national problem in such a light

and trivial manner. The other night the hon. member for Waterloo South (Mr. White) mentioned that the position of the western wheat producer has not worsened to any great extent in the past year. Unfortunately that opinion is shared by a great many on the government side of the house.

The chief offenders in creating that impression are the Minister of Trade and Commerce, who is responsible for the statistical information for Canada, and the Minister of Agriculture, who also has a statistical branch or an economics branch so that he has information available. The resentment that is felt in the country as a result of the attitude of these two responsible ministers has been keener than anything I have experienced in many years.

For example, in the *Western Producer*, the February 2 issue, there is a heading " 'Making Monkeys out of us' Delegate criticizes Gardiner". That is strong language to appear in a paper like the *Western Producer*, coming from a meeting of the Canadian Federation of Agriculture which has been extremely friendly to this government. The article begins with these words:

"How long are we going to let Jimmy Gardiner make monkeys out of us," a delegate to the meeting of the Canadian Federation of Agriculture here shouted.

I think that is a question that should be answered.

Just before six o'clock there was some discussion with regard to what the hon. member for Vancouver-Burrard (Mr. MacDougall) had to say with regard to this question. In the Ottawa *Citizen* of January 10, before Bill 82 and Bill 83 were before the house, the hon. member for Vancouver-Burrard went into print. Here is an article written by Warren Baldwin, an extremely responsible correspondent. In it we find these words:

Howe wheat plan is seen dynamite. Meanwhile the government can look forward to a lively session.

Mr. Speaker: Order. Perhaps the hon. member is not aware of the fact that earlier this evening the hon. member for Vancouver-Burrard made a statement in this house explaining his position on this very question.

Mr. Nicholson: Mr. Speaker, he did not refer to the article in the Ottawa *Citizen*. He referred to a speech he delivered in parliament earlier. As reported in the *Citizen* he said he was going to speak against subsidies and vote against them.

Mr. Speaker: The hon. member will recall that the hon. member for Acadia (Mr. Quelch) had said that what the hon. member for Lethbridge (Mr. Blackmore) was alluding to was a public matter, that it had appeared in the newspapers. I took it that the hon. member for Vancouver-Burrard was refuting what had been said by both hon. members.

Mr. Nicholson: Mr. Speaker, I was here and was listening. The hon. member will correct me if I am wrong, but I understood he was referring to what he put on *Hansard*.

Mr. Speaker: That is why I am trying to protect him. He is not here at the moment.

Mr. Nicholson: Very well, Mr. Speaker. I shall leave that matter.

Mr. MacDougall: Mr. Speaker—

Mr. Speaker: Order. I am sorry. I was in error. The hon. member for Vancouver-Burrard is present.

Mr. MacDougall: I do not know whether the hon. member for Mackenzie was in his seat when I made my statement with respect to the matter.

Mr. Nicholson: I did not hear it all.

Mr. MacDougall: I know he discussed this matter with me when the hon. member for Lethbridge was kind enough to ask me to go and read in *Hansard* the statement he made this afternoon. Unfortunately I cannot utilize a statement that was made by anyone because it is not official and it will not be official until tomorrow. There is no question at all about where I stood, and I explained that matter tonight. I think it is rather picayune for the hon. member for Mackenzie to go on dealing with newspaper reports when I have already made my statement to the house.

Mr. Nicholson: Very well. I want to emphasize the point that several private members on the government side of the house have accepted the claims made by the Minister of Trade and Commerce and the Minister of Agriculture that the farmers in Canada are enjoying an era of prosperity such as has never been known previously. Those are not the facts, Mr. Speaker. The Minister of Trade and Commerce has supplied me with the statistics on new motor vehicle sales and motor vehicle financing for December of last year. This publication gives the information—

Mr. Howe (Port Arthur): Mr. Speaker, may I say this to the hon. member. The Minister of Trade and Commerce has supplied you with nothing. You got it from the bureau of statistics, which serves all the people of Canada.

Mr. Nicholson: Thank you very much. The releases are very kind in giving the Minister of Trade and Commerce credit as being the minister responsible.

Mr. Howe (Port Arthur): I would not furnish you with a postage stamp.

Mr. Nicholson: I make apology and give the taxpayers of Canada the credit for supplying this information. If the minister is so sensitive, it might be a good idea to have his name removed so that his extremely efficient staff in the bureau would not be held responsible for many of the statements the minister makes.

Mr. Speaker, the Minister of Trade and Commerce or rather, I should say, the bureau of statistics under the authority of the Minister of Trade and Commerce informs us of the statistics with regard to new motor vehicle sales in the various provinces of Canada for 1954 and up to December 1955. It is interesting to note that in Newfoundland there has been an increase of 24 per cent, in Prince Edward Island an increase of 35 per cent and so on across the country.

But when we come to the prairie region the story is different. I am sorry to be compelled to say that in my province there has been a decrease in passenger motor vehicle sales of 3·2 per cent in the number and 6·9 per cent in the value. In commercial vehicle sales we are down 23·3 per cent in number and 21·2 per cent in value. In Alberta and Manitoba the situation is not quite so bad. However, in Alberta in commercial vehicle sales they are down 0·8 per cent in numbers but up 11·7 per cent in value. This merely points up the fact that while motor car sales have been increasing in the rest of Canada, in the area where the agricultural crisis has developed on account of the factors which are well known, the motor car sales are down. That information is available to everyone. The Minister of Trade and Commerce, through his department, will supply these statistics to everyone.

The interprovincial farm union council met with the cabinet today and presented some interesting information with regard to the over-all position of agriculture, particularly the position of agriculture in the west. They have here a table giving the purchasing power of a bushel of wheat at Fort William in the period 1891-1900, 1901-1910, and so on, for periods ever since records were kept. They have these prices given in the purchasing power of a bushel of wheat in terms of the 1935-39 dollar. It is interesting to note that back when I was a lad a bushel of wheat would buy a pair of overalls. But in 1956 a bushel of wheat will buy the buttons and the braces, and the farmer is obliged to sell a pig or a calf or something in order to get the rest of the overalls.

In terms of 1935-39 purchasing power, a bushel of wheat was worth $1.28 back at the beginning of the century, while last year it was worth only 61 cents. Some years ago the Minister of Agriculture said that it had been proven over and over again that wheat could be produced at 40 cents a bushel.

Mr. Gardiner: The Minister of Agriculture did not say any such thing. That false statement has been repeated ever since about the year 1936.

Mr. Coldwell: 1939.

Mr. Nicholson: I am sorry I have not the reference here with me, but I am sure that the next time the matter is before us I will have it.

Mr. Gardiner: I can give it to you correctly, if you want it.

Mr. Nicholson: Mr. Speaker, when the matter comes up again I will have the reference in *Hansard* and I will be very glad to place it on the record.

Mr. Coldwell: Here you are.

Mr. Gardiner: The hon. gentleman who has misrepresented it for all these years is now handing it to you.

Mr. Nicholson: I am reading from *Hansard* for April, 1939, page 2623, and this is the Minister of Agriculture speaking:

> It has been proven over and over again that 20 bushels to the acre of wheat—

Mr. Gardiner: That is what you left out.

Mr. Nicholson:

> —can be produced at a cost of from 30 to 40 cents a bushel. We have had a great deal of discussion about the cost of producing wheat. It costs a certain amount to work an acre of land whether you get any wheat off it or not; it costs a certain amount to harvest it if you do get any wheat off it. It has been proven over and over again, I say, that twenty bushels to the acre of wheat can be produced at a cost of from 30 to 40 cents a bushel. For every bushel a man gets over twenty his costs per bushel decrease. When he has a crop of twenty bushels or more per acre, his other crops are usually good in proportion.

I note that my good friend the hon. member for Bow River (Mr. Johnston) was in the house at the time and was not prepared to let that go. The hon. member for Rosetown-Biggar (Mr. Coldwell) suggested that that was a very unfair picture.

Mr. Gardiner: Now, just to get the matter straight, my hon. friend left out the 20 bushels to the acre when he made his statement here. It is incorrect for anyone to get up and say it costs 30 to 40 cents a bushel to produce wheat without giving the other explanation; that is misrepresenting the whole case.

Mr. Nicholson: I explained I did not have *Hansard* with me.

Mr. Gardiner: You never do have *Hansard* with you when you are out in the schoolhouses. You just say what you said here.

Mr. Nicholson: Now that I have *Hansard* it goes one better.

Mr. Gardiner: If you read on, you will find that Mr. Hope, who is now the statistician for the federation of agriculture, said that from $6 to $8 an acre was the cost of production, and those figures indicate a cost of 30 to 40 cents provided the crop is 20 bushels per acre.

Mr. Quelch: That depended on the size of the farm, though.

Mr. Nicholson: I suggest that if the minister thinks the growing of wheat is such a profitable industry, and that there is nothing to it, he should take a holiday from here and demonstrate in the good farming area where he lives how he can manage to buy in such a high priced market and sell in the markets of the world when—

Mr. Gardiner: If my hon. friend will examine the *Hansard* he has been reading from he will find that the argument he was putting up a few moments ago to the effect that the purchasing power of the dollar has changed since 1939 will answer some of his questions.

Mr. Nicholson: The minister will have a chance to carry on the next time we resume. I resent very much, Mr. Speaker, the suggestion that those of us who are participating in this debate are coming to our colleagues from other parts of Canada with a tin cup, as beggars, and asking for a handout. I suggest that the Minister of Trade and Commerce and the Minister of Agriculture are doing a real disservice to Canada in encouraging members from other parts of the country to promote that idea.

When the war was on the Prime Minister of Canada, the Right Hon. Mackenzie King, recognized that the farmers of Canada had their prices frozen at uneconomic levels. In a radio broadcast on December 4, 1943, he said:

> If to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to insure them against an agricultural depression after the war. As an essential part of its post-war policy the government intends to ask parliament at the next session to place a floor under the prices of the main farm commodities.

Then in the speech from the throne closing the session on January 31, 1945, there was this:

> As a further safeguard of a basic standard of living, provision was made at the present session for floors under the prices of farm and fish products. These measures insure two great primary industries against the hazard of a collapse of markets or prices after the war.

Now, Mr. Speaker, the farmers in all parts of Canada accepted the fact that price controls were in the public interest. While the farmers had 10 years of rough going in all parts of Canada, the manufacturers had been able to convince the Minister of Trade and Commerce that they should operate on a cost plus basis. The minister yielded to pressure and removed the 5 per cent limit, so that the sky was the limit during the war for those who were taking contracts for munitions. But those who were producing food for our own nation and for our overseas customers were forced to produce on a cost minus basis. I submit that the commitment made by the Prime Minister of Canada when he went on the air on December 4, 1943, should not be forgotten.

I hoped the members from the prosperous areas of central Ontario and Montreal would have more consideration for the farmers on the back concessions of Quebec, Ontario and the maritimes, whose position is similar to the position of all other farmers. It so happens that this particular piece of legislation permits us to bring our problems to the only place where we can discuss them, to this parliament.

I want to assure you, Mr. Speaker, that while we are speaking about our problems we do not suggest for a moment that the potato growers in Prince Edward Island and New Brunswick, the fruit farmers and vegetable farmers in western Canada do not have problems which are just as real for them. But those problems are not going to be solved by the members of the cabinet who are so tired and so out of touch with the problems in the different parts of the country that they fail to consider the statistics made available by the bureau of statistics.

As it is ten o'clock, I would move the adjournment of the debate.

Mr. Speaker: Just before I put the motion, I should like to tell the hon. member that in trying to appreciate what may be relevant in this debate, I find it very difficult to understand why one should be allowed to review the position of agriculture in the 10 provinces of Canada when we are dealing now with the grain producers. I will ask the hon. member to take into consideration the fact

that several speakers in this debate already have made several points to prove that the condition of the western farmer at the moment is not as good as it has been represented by some members of the government.

Perhaps now he should deal with the principle of this bill and not spend all his time discussing a problem which is, of course, one of great importance and interest, but which there will be other opportunities to discuss. There is the first item of the Department of Agriculture and some items in the Department of Trade and Commerce on which the whole subject of agriculture will probably be opened up for discussion. The hon. member has reviewed the position of agriculture on February 16, and he will want to review it again on February 29, etc. I hope the hon. member appreciates what I am saying and recognizes the validity of some of the points I am stressing at the moment.

On motion of Mr. Nicholson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue this debate tomorrow and when it is concluded take the other wheat bill and then the motion to set up the estimates committee and the atomic energy committee. It is the intention of the government to set aside Monday and Tuesday for another supply motion.

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

Question

ANSWER TO QUESTION

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

R.C.M.P. HEADQUARTERS, OTTAWA—REPAIRS

Question No. 137—**Mr. Lennard:**

1. What was the nature of repairs, renovations or improvements made to the Royal Canadian Mounted Police headquarters in Ottawa by H. Pion and Sons?
2. When was this work completed?
3. What was the amount of the contract?

Answer by: **Mr. Pinard (for Mr. Winters):**

1. Ventilation of the photographic section.
2. June 3, 1955.
3. $14,000.

HOUSE OF COMMONS

Friday, February 17, 1956

The house met at eleven o'clock.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 121, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to extend the privilege of voting at an advance poll to any qualified elector who finds that he will be absent from his constituency on election day. All the other clauses of the bill are consequential to that one change.

Motion agreed to and bill read the first time.

TRANSPORT

CONTINUATION OF AUTHORITY TO MAKE REGULATIONS AND APPOINT CONTROLLERS

Hon. George C. Marler (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 provide for the continuation for a further period of two years of authority to make regulations for the control of transport of goods in bulk including, amongst other things, the appointment of one or more controllers and one or more deputy controllers to carry out the provisions of such regulations and the payment of their remuneration.

Motion agreed to.

CRIMINAL LAW

MAINTENANCE OF CAPITAL PUNISHMENT—APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister (Mr. St. Laurent) arising out of the feelings consequent upon the Coffin case and on what happened yesterday in Great Britain. Will the government give consideration to giving the house an opportunity by a free vote to reconsider the question of the maintenance of capital punishment?

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a supplementary question. I was going to rise to ask a somewhat similar question, but this one is different. Will the government set up the committee on capital and corporal punishment and lotteries at an early date so that the house may have an opportunity of considering the report when it is made, and giving an opportunity also for a free vote?

Hon. Stuart S. Garson (Minister of Justice): Replying first to the question asked by the hon. leader of the C.C.F. party, may I say that on *Votes and Proceedings* for today there will be a notice of the setting up of that committee. When a committee is set up it will consider this question and report to the house. I think at that time it would be appropriate for the hon. member for Prince Albert (Mr. Diefenbaker) to ask the question which he has asked this morning.

Mr. Diefenbaker: May I ask a question supplementary to the supplementary question. Is it the government's intention to permit a free vote if the committee so suggests?

Mr. Garson: I do not think I have anything to add to what I have just said, that after the committee has made its report to the house will be the appropriate time for the government to consider whether there should be a free vote.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, may I ask a supplementary question of the Prime Minister? In view of the fact that no committee can recommend how the members vote, will the Prime Minister indicate whether or not he is prepared to indicate to his own party that it will be a free vote when the committee makes its recommendations?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think that is a question I should answer at this time. When we have the recommendation of the committee, we shall give it serious consideration and we shall take such responsibility as we may feel it is our duty to take in respect of the recommendation.

INQUIRY AS TO PENDING DEATH SENTENCES

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to ask the Minister of Justice a question to clarify the urgency of a previous question. Are there any death penalties pending in Canada at the present time?

Inquiries of the Ministry

Hon. Stuart S. Garson (Minister of Justice): If my hon. friend means by "pending" whether there are any convictions for capital cases which have either come or have not yet come to the Department of Justice for consideration, I would not state it as a fact but I feel sure that there are. I would have to make inquiries, however, to find out how many.

Mr. Hansell: There is urgency associated with the matter. Perhaps the minister might make a statement later.

GRAIN

WHEAT—REPORTED STATEMENT RESPECTING AVAILABILITY OF BOX CARS

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would the minister comment on the statement made by his transport controller, as reported in the Montreal *Gazette*, that there is no shortage of box cars holding up prairie grain shipments?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I have read the statement very hastily, but from what I saw in the statement there was nothing, in my opinion, that seemed to require comment.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a supplementary question to the Minister of Trade and Commerce. Does the comment by the transport controller now mean that the railway transportation bottleneck, to which the Minister of Trade and Commerce referred a week or ten days ago, has now been removed?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it is the duty of the Minister of Trade and Commerce to sell the wheat. It is the duty of the Minister of Transport to move it. I understand the Minister of Transport has given his answer.

REPORTED IMPROVEMENT IN RAIL TRANSPORTATION—EFFECT ON STORAGE CAPACITY

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Has the reported improvement in rail transportation resulted in any decrease in the 58 million bushels unused capacity for grain reported by the minister to the house on January 20?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I do not even know what the unused capacity is. I will look into the situation. If there is any useful information that can be given the house I will be glad to give it.

[*Later:*]

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask a supplementary question of the Minister of Transport. Will the Minister of Transport take appropriate steps to see that the cars are made available to deal with the situation since there are over 100 million bushels of available space for wheat in our elevators at this time?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the figures I have seen recently with regard to the movement of wheat are, I think, most encouraging and show that the railroads are meeting their responsibilities with regard to the movement of wheat.

Mr. Drew: I should like to ask a supplementary question. Does the Minister of Transport question the fact that there are 100 million bushels of space available in our elevators at this time?

Mr. Marler: The amount of space in our elevators at the present time is not a matter that comes under the jurisdiction of the Minister of Transport.

POST OFFICE DEPARTMENT

MONTREAL—REPORTED INSTALLATION OF BURGLAR ALARMS IN POSTAL STATIONS

On the orders of the day:

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, can the Postmaster General inform the house whether his department is about to instal burglar alarms at a number of postal stations in Montreal?

Mr. Speaker: Could that question be postponed until the estimates of the department are before the house?

Mr. Hamilton (Notre Dame de Grace): Can the Postmaster General inform the house if his department has recently changed its policy regarding the installation of burglar alarms in major post offices in Canada?

Mr. Speaker: Unless I am very much mistaken, that is the same question that the hon. member asked a moment ago. At that time I suggested that the question be postponed until the estimates of the department are in committee of supply.

Mr. Green: On that point, may I submit that the hon. member has asked whether there has recently been a change of policy. The estimates of the Postmaster General may not be under consideration for several months.

Surely we are entitled to ask a question of this type on the orders of the day.

Mr. Speaker: When one considers the urgency and the national character of questions that are to be asked at this question time period, may I ask the hon. member if he feels that the time of the house should be spent at this time in investigating the question whether or not burglar alarms should be installed in post offices?

An hon. Member: In view of the epidemic of robberies?

Mr. Green: I do not know why not, Mr. Speaker. Far less important subjects are being raised every day.

Mr. Speaker: The hon. member has never spoken truer words. If it is the wish of hon. members to have a question of that sort asked, I shall not object. But it would seem to me that the first question was somewhat different. The second one was somewhat rephrased because the word "policy" was introduced. I do not think it was in the first question put by the hon. member, but it means the same thing: Questions such as "Are there any doors to the post offices across the country?"—"Are there any fences around the grounds?"—"Are there any burglar alarms?"—are matters that may be important to the hon. member and to many others but do not appear to me to be the type of question that should be asked at this time. I may be wrong.

Mr. Green: As I heard it, the first question had to do with a burglar alarm system in Montreal. You said that the hon. member could not ask that question. Now he has asked a question having to do with policy right across the country. Surely that question should not be ruled out.

Mr. Speaker: As I just said, I may be wrong. However, hon. members should realize that at this moment when questions are being asked, I must be careful to give to hon. members an opportunity to ask questions of the widest nature and the most urgent character and therefore to eliminate those questions which appear to me to be not of the type that should be asked at this time. I think hon. members will realize that every time I ask hon. members not to press a question, I may be completely wrong. I am not omniscient. When I ask hon. members not to press a question I would hope that my request might not provoke a discussion on a point of order, thus causing the house to lose the benefit of my intervention, which is for the purpose of saving time. As I say, I may be completely wrong on this score, but am I so wrong that we must spend several minutes in discussing a point of order?

Mr. Green: I submit, Your Honour, that where an hon. member asks whether there has just been a change in policy by one of the departments on some matter having to do with the whole of the country, it should not be ruled out. I would point out to Your Honour that hundreds of thousands of dollars have been lost in thefts from post offices. It seems to me that a question of that kind is quite properly asked by the hon. member.

Mr. Speaker: The hon. member is not convincing me that whenever a question is asked on a matter of policy having to do with burglar alarms, just because of the fact that it is a matter of policy it is always a permissible question at this time. I am not of opinion that that question should be asked at this time.

BURNABY—REMOVAL OF MAIL SORTERS TO VANCOUVER

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, may I direct a question to the parliamentary assistant to the Postmaster General. Is he aware that the post office sorting staff has been removed from Burnaby to Vancouver? If so, what are the reasons for the move?

Mr. Speaker: I think this question also could be postponed until the estimates of the Post Office Department are before the committee of supply.

Mr. Goode: Mr. Speaker—

Mr. Speaker: I must ask hon. members not to argue with the Speaker. The rules say that the rulings of the Speaker are not debatable. I have previously asked hon. members to observe that rule as much as possible.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—REQUEST FOR SURVEY OF JUMBO PASS ROUTE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct an inquiry to the Minister of Public Works, whom I am sure we are all glad to welcome back to the house—

Some hon. Members: Hear, hear.

Mr. Knowles: The Minister of Fisheries, too.

Mr. Herridge: —in such a healthy and suntanned condition. I should like to ask the

minister this. How long does the minister intend to pigeonhole requests from chambers of commerce and other organizations in south-eastern British Columbia for a thorough survey of the proposed Jumbo pass route as a section of the trans-Canada highway prior to a final decision being made concerning the route between Revelstoke and the Alberta border?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, whether or not a survey of any part of the route is to be made is a matter for the provincial government concerned.

AIRPORTS

PATRICIA BAY, B.C.—BUILDINGS DECLARED SURPLUS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I ask the Minister of Transport if any number of huts has recently been declared surplus at the Patricia Bay airport?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I shall answer the question of the hon. gentleman by saying that a number of buildings have been declared surplus. The list is much too long to be given on the orders of the day, but I shall be glad to give my hon. friend the particulars of them.

HOUSE OF COMMONS

WELCOME TO MINISTER OF FISHERIES FOLLOWING ILLNESS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I hope I may be permitted at this point to make a comment.

Mr. Harris: No.

Mr. Drew: If hon. members would wait, they would perhaps see how wise it is to wait for the finish of a sentence. I was going to say that I am sure all hon. members are very pleased to see the Minister of Fisheries back in his place. We had the opportunity to welcome him before but we know it was necessary for him to have a further holiday, and with the utmost sincerity I know that all the members of the opposition hope he is fully restored to health.

SHIPPING

SINKING OF DEPARTMENTAL VESSEL "HILUNGA"

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Public Works. Can he give the house a statement supplementary to that which was given yesterday with respect to the loss of the departmental vessel *Hilunga* on the west coast?

Hon. Robert H. Winters (Minister of Public Works): No, Mr. Speaker, I am unable to add to the information given the house yesterday. Although search and rescue have been active in trying to locate the vessel or signs of wreckage, they have been unable to do so. They have been joined in the search by the ships of the Department of Transport and the Department of Fisheries. I think I should say, however, that the report that the crew were seen leaving the ship and proceeding towards shore has not been confirmed.

Mr. Howard C. Green (Vancouver-Quadra): In connection with this question may I ask the Minister of Transport whether or not this vessel, which apparently was known as the *Hilunga*, was designed only for service in minor waters, class 1, whereas she foundered in minor waters, class 2?

Hon. George C. Marler (Minister of Transport): I am afraid I will have to take the hon. gentleman's question as notice and make some inquiry in order to be able to reply to him.

Mr. Green: Is this not one more case in which the United States coastguard was called in for help?

Mr. Marler: I am afraid I cannot answer that question either, Mr. Speaker.

EXTERNAL AFFAIRS

POLICY RESPECTING SHIPMENT OF ARMS TO MIDDLE EAST

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if, in view of action taken at Washington during the last 24 hours to impose an embargo on the shipment of arms to the Middle East, the government will reconsider its position in that respect and consider taking parallel action?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, that is a matter which the government always has under consideration. The information that has already been given to the house is that we keep in close contact with our allies and try to keep our policy such as will occasion no greater anxiety about the Middle East than that which exists at the present time.

ST. LAWRENCE SEAWAY

PROTECTION OF CANADIAN PROPERTY AGAINST CHANGE IN WATER LEVELS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask a question that may perhaps concern both the Secretary of State for External Affairs and the Minister of Transport. Are there any negotiations under way at the present time, either with the United States government or with the provinces concerned, arising out of the construction of the St. Lawrence seaway, in which questions are being raised as to protection of property bordering on the lakes? If so, what steps are being taken on behalf of the Canadian government to see that Canadian land on the lakes is being properly protected against change of water levels?

Hon. L. B. Pearson (Secretary of State for External Affairs): Offhand, I cannot give a reply to that question, but I shall look into the matter and see if such negotiations are being conducted.

INQUIRY FOR RETURN

CASH ADVANCES ON FARM-STORED GRAIN

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Minister of Trade and Commerce if he is now in a position to table the return that was passed on February 6 dealing with the representations made by western farm bodies in reference to advances on farm-stored wheat.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it is my understanding that the return went to the Secretary of State a day or so ago and I presume it will be brought down shortly.

Hon. Roch Pinard (Secretary of State): I may say the return will probably be brought down today. There is only one department which has not supplied its answer.

Mr. Diefenbaker: We should have it for this debate.

GRAIN

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

The house resumed, from Thursday, February 16, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

Mr. A. M. Nicholson (Mackenzie): I have read carefully, Mr. Speaker, your remarks at the conclusion of my address last night and I want to say that, as usual, you are absolutely fair and correct. Your assistants found it necessary to call me to order when you were absent from the chamber and they, too, were quite correct and fair. But in my defence I should like to say that members supporting the government had been so far from this subject that I felt without some reference to some of the remarks made it would have been interpreted that we accepted those views. I have discussed the remarks I propose to make this morning with my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), and I will try to be absolutely on the beam all the way.

We are discussing Bill 82, which is an act to provide for short-term credit to grain producers in the prairie provinces to meet financial difficulties arising from inability to deliver all their grain. I am against that all the way. We do not want credit. We have had too much credit. We want to get fair consideration, nothing more and nothing less. This is not a temporary situation. While the Minister of Finance (Mr. Harris) has not taken any part in this debate I want to call him as my witness in saying that this is not a temporary situation. The Minister of Finance, speaking in New York, quite correctly said that this situation has been caused by policies in other countries. He also said that his government, the government of Canada, is concerned about the fact that wheat production is the principal source of cash income to the great majority of western farmers and his government was bound to be greatly influenced by anything so vital to them and to the whole national economy.

I want to make an appeal to the Prime Minister (Mr. St. Laurent). The Prime Minister has established, and has earned, the respect of a great many Canadians. I feel it is not fair for him to be in a position where the two senior members of his cabinet are so irresponsible in discussing this national problem. The Prime Minister is still the chief, and with all due respect to the contribution the Minister of Trade and Commerce has made in the past—and I am among the first to give him credit for the outstanding job he did during the war—if he were to approach this problem as he did his problems during the war, he would be saying the same sort of thing that the Minister of Finance is saying, that this is not a problem which has resulted from beneficent nature. It is a problem which results from policies which are not formed outside of Canada.

If we had had as minister of agriculture during the war a man who approached this problem as did the minister of munitions and supply at that time, our present Minister of Trade and Commerce, our farmers would not be in the position where they are so bitter as they are now. Therefore, I suggest to the Prime Minister that he deal with this problem in two stages; that he persuade his two senior members to take a holiday right now and go to Florida and have the Minister of Finance pilot this bill through the house, because I am sure the Minister of Finance would say that this is not a temporary problem. He would admit that it is a problem, and I am sure the Minister of Public Works (Mr. Winters), whom we are glad to see back in the house this morning, would do as he did last summer, namely, take over agriculture during the absence of the Minister of Agriculture, and he would certainly do a much better job than the Minister of Agriculture in getting this piece of legislation discussed. I am sure that with the two senior members out of the country the cabinet would be prepared to accept the analysis made by the Minister of Finance in New York.

The farmers do not want too much. They merely want recognition of the facts as they exist and an indication that the government is prepared to do something about them. After having taken that step, the logical step that would follow would be for both ministers to see that parliament got on well without them and they would tender their resignations, and we would be able to proceed from there on.

I suggest to the Prime Minister that over the weekend he should take a look at what his colleague, the Minister of Trade and Commerce, said during this debate. I wish to assure you, Mr. Speaker, that there is no bitterness on my part as a result of the interjections of the Minister of Trade and Commerce last night. While I was speaking and giving him credit for supplying me with certain information, the Minister of Trade and Commerce interrupted by saying, as reported at page 1275 of *Hansard:*

> The Minister of Trade and Commerce has supplied you with nothing.

I accepted that and made my apologies, and later on at page 1276 of *Hansard* the minister said:

> I would not furnish you with a postage stamp.

That is all right. I suggest the Prime Minister have a look at the editorial in this morning's *Globe and Mail* having reference to the remarks made by the Minister of Trade and Commerce. I am not going to read the editorial, Mr. Speaker. I merely ask the Prime Minister to read it and decide whether or not it is in the interests of good government in Canada to have his minister suggesting while one of his colleagues, the hon. member for Rosthern (Mr. Tucker), was speaking that this should not be degenerating to a debate. I think the Prime Minister would agree that the statements made by the Minister of Trade and Commerce are subjects for debate and that members of the opposition in all parties should not be muzzled. Either this bill is worth debating and contains certain principles, or it is not. The Prime Minister should look at it.

It is also suggested that he review the performance of the second senior minister, the Minister of Agriculture (Mr. Gardiner). I am indebted to Judith Robinson for her analysis of the barter proposals of the Minister of Agriculture. While the Minister of Trade and Commerce (Mr. Howe) says that there is no marketing problem, that there is no problem facing the farmers of Canada, at that very moment his colleague is negotiating a barter deal with Great Britain to exchange wheat for British immigrants. I am sure that everyone who has come to Canada in the last 50 years from any country will resent very much the proposal that we should now consider bartering human beings in order to get rid of a surplus of wheat which the Minister of Trade and Commerce says does not exist.

Mr. Speaker: Is the hon. member still speaking along the lines suggested to him by the hon. member for Winnipeg North Centre (Mr. Knowles)? The hon. member for Winnipeg North Centre and I are almost 100 per cent in agreement on most points, but if the hon. member is considering continuing along the line upon which he has now embarked I do not think he would be relevant to this bill.

Mr. Knowles: Does not the proposal made by the Minister of Agriculture suggest that there is a real problem, and is not the fact that there is a problem so far as the marketing of wheat is concerned relevant to the bill now before us?

Mr. Speaker: The hon. member for Mackenzie (Mr. Nicholson) has indicated the views of the hon. member for Winnipeg North Centre in his opening remarks this morning, which are to the effect that in his opening statement on the second reading of the bill apparently the minister referred to the fact that the condition of farmers was not as bad as perhaps might have been pictured by other people, or that it is good. Ever since this debate was initiated hon. members have tried to refute that part of the minister's statement. They spend most of their time on that and then at the end of their remarks

they come back to the bill and say, "We are going to be for or against this measure which has to do with loans."

In a 40-minute speech an hon. member, in order to maintain the relevancy of his remarks may refer incidentally to what may appear to be irrelevant and then apportion most of his remarks directly to the principle of the bill before the house. I am just picking a percentage out of the air, but as a rule we do not hear anything about short-term credit to grain producers until about 35 minutes of an hon. member's time has been spent in trying to prove that the position of the farmers out west is much worse than is imagined by some hon. members.

My point is that all kinds of arguments may be presented to prove just what is the position of the farmers out west. Indeed last night the hon. member was travelling all across Canada to show that the position of the farmers was not as good as some people had pictured. Then the hon. member should have returned to a discussion which was relevant to the bill.

I will be at a loss in directing the discussion on a bill of this kind if the position of farmers over the years or at the present time in the economy of Canada is to be relevant to the discussion. As I said the other night, we may as well look at the international picture to see how Canada stands and how it affects various classes in Canada and then come to the farmers. By that time an hon. member's speech would be over and we would not have heard about the bill before the house. That is my point.

Mr. Nicholson: Thank you very much, Mr. Speaker. I merely wanted to point up the fact that one cabinet minister says one thing, that there is no problem, while another minister says that there is. That is all I want to say. I submit it is relevant because the Minister of Agriculture has endeavoured to indicate that. I suggest to the Prime Minister that he take time over the weekend to read Judith Robinson's article in last night's Toronto *Telegram* entitled "Gardiner's Barter Bargain".

Representatives of farm unions from five provinces are in Ottawa and I understand are trying to see as many members as they can to discuss a variety of problems. Yesterday they presented a brief to the government. One of the delegates, the vice-president of the farmers' union of Saskatchewan, saw me last night. I am sure that hon. members who do not want to accept our views on this problem would be well advised to see some of these delegates while they are in the city and get their opinions.

The failure of the government to do something other than arrange for credit is actually going to cost the taxpayers a great deal of money directly. May I illustrate what I have in mind. Mr. Turnbull, vice-president of the farmers' union of Saskatchewan, has outlined what he is being forced to do with 10,000 bushels of wheat which he has on the ground. He is going to be obliged to go into hog production because there is a floor price under hogs, or so we are told.

One of his neighbours is putting up buildings in which to feed 500 hogs. That man has 15,000 bushels of barley on hand. As a result of our failure to recognize this problem there is going to be a tremendous increase in hog production and the taxpayers of Canada are going to have to subsidize pork production.

Mr. Turnbull mentioned that another farmer is acting on the advice of the Minister of Agriculture and is going to market his wheat through livestock. He is putting up pole shelters at a very low cost to house 200 head of cattle. No farmer in Ontario or Quebec can hope to compete with the sort of competition which is sure to develop.

The vice-president of the farmers' union is going to seed 200 acres with rapeseed this year because there is a guaranteed price. He knows that that will have an effect on butter producers. My colleague, the hon. member for Humboldt-Melfort (Mr. Bryson), acting last year on the suggestion of the Minister of Agriculture seeded 400 acres to rapeseed and had a production of 400,000 pounds. A process developed in Germany indicates that rapeseed will make a very palatable butter substitute.

I submit that it is most important that this bill to provide short-term credit to grain producers should not be read a second time. I think the Prime Minister should have an opportunity over the week end to consider the suggestions that I have made that these two members be given a chance to have a holiday. Therefore I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the word "now" be left out, and the words "this day six months hence" be added at the end of the question.

Mr. C. E. Johnston (Bow River): Mr. Speaker, let me say at the outset that I wish to refer to some remarks made by the hon. member for Westmorland (Mr. Murphy). He is not in his seat at the moment; so if the whip can bring him in he will be able to hear what I say.

There are a few things I wish to discuss on this second reading of Bill 82, an act to provide for assistance to farmers. The title of the bill is:

An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

First of all I find that some of the subjects mentioned in the bill are a little difficult for me to follow. In the first place, I am of the opinion that the difficulty has not arisen particularly because of the farmer's inability to sell all of his grain. Certainly the difficulty has arisen because of the government's inability to sell the wheat of western Canada. It is not the farmer's job at all to sell this wheat. The government's policy should be so designed as to take care of the wheat of western Canada. The government has been solely responsible for the sale of wheat in this country. Therefore it is the government's responsibility now to see to it that the farmers are given assistance towards obtaining some cash in this time of emergency.

It is not my intention to establish need at this time, because I have already done that on another occasion during this debate and many members in the House of Commons have brought forth that very point. It has been well established by all sound-thinking members that the western farmer is in need of assistance. I said that I thought the fact had been established by all sound-thinking members in this house, but there are some members apparently who disagree with that point of view.

The thing that amazes me is that, despite the fact that almost every member, particularly from western Canada, has brought this to your attention, no Liberal members from Alberta have got up and spoken on Bill 82 which deals with this question. Why are they so profoundly silent? Certainly on other occasions they have made themselves heard. In view of the fact that the Liberal leader in the province of Alberta has come out and condemned this bill, I think it is about time some of the Liberal members from Alberta got up and made themselves known in this respect. Are they afraid of the whip that will be cracked over their heads if they get up and assert themselves on the side of the farmer? The people in Alberta who sent them down here expect them to get up and make a statement on this bill. It is vital to the welfare of the western agriculturists. The only one who has styled himself as an expert is the lawyer from Westmorland. Let me tell you what he said. I am sure the western farmers of Alberta are not going to appreciate the attitude taken by the Liberal members in this House of Commons as expressed by the hon. member for Westmorland. This is what he says, as reported on page 970 of *Hansard*:

I of course am not a wheat expert.

I think we would all agree with that. Then he says:

As an eastern barrister I therefore feel I have a right to speak on this question.

What impudence that he, as an eastern lawyer, has the right to get up and speak on behalf of the western agriculturists of this country.

An hon. Member: What about the hon. member for Eglinton yesterday?

Mr. Johnston (Bow River): Who does he think he is? Not one of the Liberal members from Alberta has got up and contradicted these statements. He said:

It is a debatable point as to what is for the benefit of the wheat growers of Canada, but I believe this resolution is and that is why I am supporting it.

The Liberal members from Alberta, having him as their spokesman, are saying that the position in which agriculture finds itself is a very debatable one.

Mr. Philpott: You voted for the resolution.

Mr. Johnston (Bow River): I shall tell you in a moment why I voted for the resolution, but you let the Liberal members from Alberta do the speaking—

Mr. Speaker: I am quite prepared to let the hon. members from Alberta do whatever speaking they wish to do within the rules. The hon. member has just told me to let the members from Alberta do their speaking. I say I am quite prepared to do that.

Mr. Johnston (Bow River): Thank you, Mr. Speaker. I am sorry that I had to remind members in the opposition that they should not be asking questions—I mean members on the government side.

An hon. Member: They are in opposition to good legislation.

Mr. Johnston (Bow River): Yes, I agree with the remark that they are in opposition to what is of benefit to western agriculture. Then he goes on, and this is the way he believes the western farmers should be treated. This lawyer expert on agricultural problems says:

. . . we know that the judgment of the majority of the western wheat growers does not seem to be too good.

I am sure the people of western Canada who supported the Liberal members and sent them down here to carry on their affairs are not going to appreciate that type of inference. It is not an inference; he states it as a fact.

In other words, the western farmers of Alberta have not enough sense to know what they want. Not a Liberal in this house from Alberta has got up and contradicted that statement.

Who are these members from Alberta who say that the people from western Canada should send down no one except Liberals who will get up and support their cause? It was stated by the Liberal leader Mr. Prowse from Alberta over television the other day that there were five Liberal members in this house. Of course, that is not so, but we do not mind his exaggerating the truth. He always does that. There are, in fact, four members. There is the hon. member for Vegreville (Mr. Decore), who has not said a word on this resolution. There is the hon. member for Edmonton-Strathcona (Mr. Hanna), who has not said a word on this resolution. There is the hon. member for Athabaska (Mr. Dechene), who was here a while ago but is not now, and who has not said a word about this resolution. There is the hon. member for Edmonton West (Mr. Prudham), who has not said a word on this resolution. So they must be taking the side of the hon. member for Westmorland. Then this great sage who no doubt has taken his advice from the two cabinet ministers, from the Minister of Trade and Commerce (Mr. Howe) who has said during this debate that farmers in general in western Canada are not too hard up—

Mr. Howe (Port Arthur): I said no such thing. If my hon. friend is going to quote me will he please read from *Hansard*. He will distort anything that comes his way but I object to his distorting my remarks.

Mr. Johnston (Bow River): Mr. Speaker, the minister is always being misquoted. He is one of those who are always misquoted, but I recall quite vividly that the Minister of Trade and Commerce said that Bill No. 82 was being introduced to accommodate the very few who were in need of assistance. He based it on the 1951 legislation.

Mr. Howe (Port Arthur): I said nothing of the kind. I have asked my hon. friend to quote from *Hansard* if he wishes to quote me. I hope Mr. Speaker will support me in that. I do not know that a man can get up in this House of Commons and put words in my mouth.

Mr. Johnston (Bow River): Mr. Speaker, I will endeavour to quote the words of the minister in a few minutes because I have never tried to misrepresent anyone on any occasion. I am paraphrasing, and I think correctly, what the minister said.

Mr. Howe (Port Arthur): You will do it with reluctance.

Mr. Johnston (Bow River): If the minister did not say that these loans were being made available to accommodate only the few who would need them, I will take back everything I have said about him, but I know that he said it.

Mr. Howe (Port Arthur): The last time you said "very few".

Mr. Johnston (Bow River): Very few, yes.

Mr. Howe (Port Arthur): If I said that I will—

Mr. Knowles: You will what?

Mr. Johnston (Bow River): Oh well, we are not going to quibble over a word or two. The general meaning is clear.

Some hon. Members: Oh, oh.

Mr. Johnston (Bow River): The general meaning is clear and the Minister of Agriculture (Mr. Gardiner) backed him up in that.

Mr. Deputy Speaker: Order.

Mr. Johnston (Bow River): Then this all-wise barrister from New Brunswick concluded with these words:

> We in this party are doing what is best for the western wheat producer.

My, oh my! The people of western Canada have not got enough intelligence to know what they want, but a few of these so-called barrister experts down here tell them what is good for them and what is not good for them. Of course we have the minister of the department doing that very thing too. When the hon. member says that the people of western Canada do not know what is good for them, let me remind him once again, as I did the other day, about the Saskatoon conference which sent a submission to the government of Canada on October 11, 1955, respecting the urgent need for cash advances on farm-stored grain in western Canada. For the benefit of some of those people who do not know who sent the submission, let me read the names again. I put them on *Hansard* a couple of weeks ago in discussing this question, but some of you people over there who are so all-wise and who are going to endeavour to speak for western agriculture had better listen to the names of the organizations that sent the submission to the minister and see what they ask for. Then they will be able to speak intelligently on the subject.

Mr. Deputy Speaker: Order. The hon. member has placed me in the same position in which I was a few days ago. He actually admits he is going to put the same material

on *Hansard* for the second time, which is pure repetition and should not be allowed under our rules.

Mr. Johnston (Bow River): No, Mr. Speaker, this is not repetition because I am going to read the names so they will know who they are. The submission was presented by the Alberta department of agriculture, the Manitoba department of agriculture—

Mr. Howe (Port Arthur): Mr. Speaker, they have been read into the record at least three times.

Mr. Johnston (Bow River): —by the—

Mr. Deputy Speaker: Order. The minister is rising on a point of order.

Mr. Howe (Port Arthur): My point of order is that the list of names has been read at least three times, I think twice by the hon. member who is now speaking.

Mr. Johnston (Bow River): Mr. Speaker, of course the minister's memory is not—

Mr. Deputy Speaker: Order. That is the point I raised a few minutes ago. The hon. member said quite distinctly that he intended to put this record on *Hansard* again. That is a straight admission of repetition, and I feel I am on quite sound ground when the hon. member himself admits that it is repetition. Many times remarks are phrased a little differently and it is very difficult for the chair to decide that a statement is repetitious, but in this case I feel I can rely on the words of the hon. member himself and say that this is repetition and it cannot be allowed to proceed.

Mr. Johnston (Bow River): Let me put it this way, Mr. Speaker. The departments of agriculture of the three western provinces were among those who made this submission to the government together with all the farm organizations and chambers of commerce. Despite the fact that the submission was made by all these people who are directly and intimately concerned with western agriculture, the hon. member for Westmorland (Mr. Murphy) says that the people of western Canada do not know what they want and therefore some of the eastern Liberal members are going to tell them what is good for them. I say some of the eastern Liberal members because the Liberal members from Alberta have not had gumption enough so far to get up and express themselves. We do of course have the views of Mr. Prowse, expressed on a television program, who said that he was strongly opposed to such legislation. Why is that so? Because he is right out in western Canada where he has to answer to the people. When these members go back to western Canada they too will have to answer to the agriculturists of western Canada.

Therefore when these people say that the farmers do not know what they want they certainly do not know what they are talking about. This organization asked very clearly for advances to farmers on grain in store on the farms. Can anybody say that they do not know what they are talking about? In their submission they differentiate between advances and loans from the bank. In the one case they stated that there should be no interest and then they go on to say there are other methods that could be used, including bank loans. In that regard they say that if bank loans are to be used in any event there should be a very low rate of interest, and they state emphatically that the current rate of interest on bank loans is too high. Certainly no one can say that the western farmers do not know what they are talking about. If anybody does not know what they are talking about it is members on the opposition—

Some hon. Members: Yes, yes.

Mr. Johnston (Bow River): I mean on the other side of the house. When I speak of opposition—

An hon. Member: A good admission.

Mr. Johnston (Bow River): —I mean those who are opposed to the interests of western agriculture. Make no mistake about that.

An hon. Member: Now you are changing.

Mr. Johnston (Bow River): Let me tell you what was said here the other day when the hon. member for Rosthern (Mr. Tucker) was speaking.

An hon. Member: We heard it the other day.

Mr. Johnston (Bow River): I interjected in his speech and asked him if he was differentiating—

An hon. Member: That gives us the right to interject too.

Mr. Johnston (Bow River): —between loans and advances. I want to say right here that whether or not I agree with the hon. member for Rosthern is not the point at issue. The point at issue is that he did have courage enough to stand on his feet and express his own thoughts. He expressed his thoughts in strong terms when he said that he did not even have to agree with the Minister of Trade and Commerce. There are not many on the other side of the house who would dare to get up and make such an assertion.

An hon. Member: Oh, rubbish.

Mr. Johnston (Bow River): Let me read what the hon. member said as found at page 629 of *Hansard* of January 27. He was speaking and I interrupted and said:

> Are you differentiating between advances and loans?

The hon. member for Rosthern replied:

> Advances are exactly the same as loans.

Let me interject there to say that the Minister of Trade and Commerce does not agree with that. At that time I said:

> The minister does not agree with that. He says everybody who asks for advances is a sabateur of the wheat board.

I suppose the minister will deny that too but that is a fact. The hon. member for Rosthern went on to say this:

> I am dealing with the question as I see it. The minister makes his own speeches. If my hon. friend thinks I have always got to agree with the minister, he is mistaken.

At least the hon. member for Rosthern had the courage to stand up and say there were times that he did not agree with the Minister of Trade and Commerce (Mr. Howe).

Mr. Hosking: Mr. Speaker, I wonder if the hon. member would permit me to ask a question?

Mr. Johnston (Bow River): Surely; go ahead.

Mr. Hosking: Does he suggest that the farmers from the eastern part of Canada should pay the interest on advances so that these farmers in the west can take the money on those advances and invest it in government bonds and draw interest on those bonds and that our farmers should pay the interest on them? Is that what he is suggesting?

Mr. Knowles: The hon. member forgot to include the old crack about trips to California.

Mr. Johnston (Bow River): That is really amusing, Mr. Speaker. I did not suggest anything at all of that nature but through you, I would like to ask the hon. member this question. Does he think that western Canada is going to derive any material benefit in reduction of freight rates by the deepening of the St. Lawrence river that is costing us over $300 million of which western Canada is paying its share? Surely we were in favour of it. We were in favour of helping eastern Canada. We have helped eastern Canada so much down through the ages that they do not know how to get along without us.

Mr. Hosking: Mr. Speaker—

Mr. Deputy Speaker: Order. May I remind hon. members on both sides of the house in the vicinity of the hon. member who has the floor that the microphones are open and it is extremely difficult at this end of the house to hear the hon. member who has the floor when the various members are trying to speak at the same time.

Mr. Johnston (Bow River): Thank you, Mr. Speaker, once again for that interjection.

Let me refer again to the remarks made by the hon. member for Westmorland, and may I say that I am sorry he still is not in his seat, although I gave notice that I was going to refer to him. It was during that same speech—and this is one of the reasons that prompted me to say these few words—that the hon. member had this to say as reported at page 970 of *Hansard*:

> For a while in this debate the hon. member for Bow River criticized the action taken by the government in guaranteeing these loans, and then he said that he would support it.

I want to stop there for just a moment. The reason why the members of this party supported the resolution was that there was a faint hope that some assistance would be given to agriculture in western Canada. Quite contrary to some of the opinions expressed on the other side of the house, we knew that agriculture was in need of assistance. We were in hopes that when the bill was brought down there would be provision for some material assistance in this respect.

The hon. member for Acadia (Mr. Quelch), who was speaking the other day, went still further and suggested to the government that we would support this second reading of the bill if they would assure us that this bill would be referred to the agriculture committee of this house so that western agricultural organizations would be able to come down here and present their case. The minister decided that matter in one word, when the Minister of Finance (Mr. Harris) spoke for him or on his behalf and said no, it would not be referred to the committee on agriculture and colonization. Why should the government be so greatly frightened to have this bill referred to a committee of the house? Why should they be so greatly disturbed lest these agricultural organizations in western Canada—

Mr. Deputy Speaker: Order. May I point out to the hon. member that this particular phase of the question was decided by a vote of the house last evening. I think he is now precluded from reviving that debate.

Mr. Knowles: Mr. Speaker, may I rise on a point of order and suggest that what was decided by a vote of the house was whether or not the subject matter of the bill be referred to a committee. The question which was asked, and which the Minister of Finance

answered, was that an assurance be given that the bill, after second reading, would be referred to a committee. Those are two different things. Your Honour is correct in saying that what we voted on last night should not be revived. But surely it is still permissible for members on this side of the house to ask that the bill itself be referred to a committee after it gets second reading.

Mr. Deputy Speaker: There may be some accuracy in what the hon. member has just said. I now have the resolution before me and I see that it states:

. . . but that the subject matter thereof be referred to the standing committee on agriculture and colonization.

That would appear to resolve the matter. However, I would ask the hon. member to refrain from reviving any debate on the resolution which has already been decided as of last evening.

Mr. Johnston (Bow River): Yes, Mr. Speaker. I will abide by your ruling there, as I always do. But I found it was necessary to make that reference because of the untrue statements which appear in *Hansard* in the speech of the hon. member for Westmorland. I thought it was necessary to make that correction.

Let me say also that we agreed to support the second reading of the bill provided it was sent to the agriculture committee. We have never been obstructionists. We have always tried to do that which was best for the interests of Canada as a whole, whether those subjects referred to eastern Canada or to western Canada. We could see no logical reason why the government should not refer this matter to the committee on agriculture and colonization. Certainly any other important question which arises in this house is almost always referred to a committee of this house. Yet on this occasion the government has definitely refused to send this matter to a committee. Without any explanation their answer has been no.

The hon. member for Westmorland went on to say this:

I know that in Alberta the farmers would prefer to have loans guaranteed at the chartered banks because they would sooner have real money than funny money.

That is the learned lawyer from Westmorland who styles himself an expert and who also has the courage to get to his feet and express his opinions about western Canada on behalf of the Liberal members from western Canada while they sit mutely in their chairs.

Mr. Hansell: He is a funny lawyer.

Mr. Johnston (Bow River): Let me tell you, Mr. Speaker,—and I am sure you personally know it—that there is no funny money involved as far as this party is concerned. This hon. member refers to the fact that the farmers of western Canada would rather have credit issued through the banks. This stuff that I have here in my hand is Bank of Canada bills. These so-called wisecrackers the other day said this is sound money. This is a $10 bill and it is signed by Coyne and Towers. This one I am holding is only a $1 bill and it is signed by Beattie and Coyne. These so-called lawyer experts say this is sound money. As a matter of fact, this is the funny stuff because it can be stretched ten to one.

Mr. Quelch: It is starting to shrink again.

Mr. Johnston (Bow River): As my friend the hon. member for Acadia (Mr. Quelch) just said, it is starting to shrink again. It expands and contracts. If there is anything funnier than that, I should like to know what it is. The banks who issue this stuff—of course the banks did not issue this; that is done by the Bank of Canada.

An hon. Member: Throw it away. I will pick it up.

Mr. Johnston (Bow River): This is issued by the Bank of Canada. But the chartered banks, when they get this stuff, can expand their credit ten to one. What have they as a guarantee? Nothing but the whole of the Dominion of Canada. They did not pay anything for that expansion. On the other hand, let me tell the house that the provincial government of Alberta wrote to this government and asked them for permission to issue these loans having the same guarantee as the chartered banks are getting under this legislation. The other day the Minister of Trade and Commerce stated that the government could not permit that under this legislation. When this money is issued by the chartered banks, the farmers are required to pay 5 per cent, and with a 100 per cent guarantee. This is a greater guarantee by far than the government gave the lending institutions under the National Housing Act. Then the government only guaranteed 25 per cent of the loss, but here the government guarantees 100 per cent and the farmer is charged 5 per cent on that money.

Mr. Hamilton (Notre Dame de Grace): On a point of order, Mr. Speaker, I believe it is customary when an hon. member refers to a document and quotes from it, as the hon. member has just done, that the document is tabled. Would the hon. member be good enough to table this document?

Mr. Johnston (Bow River): The hon. member for Notre Dame de Grace (Mr. Hamilton)

is speaking of ordinary letters or documents which are referred to in this house. This is a sacred document, so I think the hon. member is out of order when he suggests that I be obliged to table it. I shall put it in my pocket so hon. members will not bother me any more about it.

Mrs. Fairclough: Give a reasonable facsimile.

Mr. Johnston (Bow River): The government of Alberta asked permission of this government to have the same guarantee, not more but the same guarantee, as was given to the banks. They were going to loan this stuff that I just showed you with Coyne's name on it and Beattie's name on it. Every time the treasury branch makes a loan they have it backed 100 per cent by this stuff, and that is more than the banks do. Let us hear the self-styled Liberal lawyer expert expound that theory a little bit.

Now, Mr. Speaker, I am sure the farmers of Alberta would have greatly appreciated the opportunity of borrowing money from the treasury branch if the federal government had given the treasury branch the same guarantee as they are giving the chartered banks. Never within my knowledge has the treasury branch lent money to a farm organization or a municipality at a rate as high as 5 per cent. I am quite confident that if the same guarantee of 100 per cent had been given the farmers of Alberta would have obtained their loan at greatly reduced rate.

Mr. Howe (Port Arthur): May I ask my hon. friend a question? I am sure that the treasury branch of the Alberta government is making loans on grain. Can he assure me that they are made at less than 5 per cent?

Mr. Johnston (Bow River): These are guaranteed loans we are talking about, guaranteed by the federal treasury.

Mr. Howe (Port Arthur): The treasury loans are guaranteed by the province of Alberta. Is one guarantee any better than the other? Is that security not as good as a guarantee by the federal government? In other words, is one government able to guarantee and the other not?

Mr. Johnston (Bow River): Of course the minister knows that is just ridiculous because the provincial government has not got the same means of raising money as this federal government has. Hon. members in this house always like to point to Alberta and say, now since you have had a Social Credit government you are considered per capita the most wealthy province in all Canada. Of course we are, but that only happened in the last 20 years. We have got our wealth through the development of our resources and proper management, as has been indicated. Neither the federal government nor the chartered banks have to obtain their money in the same way. The chartered banks can expand their credit as high as twenty to one, but of course they only do it about ten to one.

Mr. Howe (Port Arthur): I think I am entitled to an answer as to what rate the government of Alberta does charge on grain loans?

Mr. Johnston (Bow River): What obligation has the province of Alberta to lend money to the farmers of Alberta when they, the farmers, are in dire circumstances as a direct result of the inefficient policies of this government. This government is responsible for the condition in which the agriculturists find themselves in Alberta. Wherever the province of Alberta has had to deal with these matters internally, we find prosperity. Wherever the federal government sticks in its hands, we find distress and need.

Mr. Howe (Port Arthur): I want to apologize for asking the hon. member such an embarrassing question. I know he would answer it if it were not so.

Mr. Johnston (Bow River): The minister is not asking me any embarrassing question.

An hon. Member: Why not answer it?

Mr. Johnston (Bow River): I want to say to him right here,—

An hon. Member: What is the interest rate?

Mr. Johnston (Bow River): —will he deny the fact that no one can export wheat except through the wheat board, which is under the jurisdiction of this federal government? If he can say that, let him answer it. He knows that what he is asking now is just nonsense. He is the one who controls the export of wheat, and that is why the farmers in western Canada find themselves in the dire circumstances in which they are now. The minister tries to get up and drag one of those red herrings across the road, but it just does not work. He had better consult this lawyer expert on western affairs who lives in New Brunswick, and get some advice from him, because it appears he is the one who is expressing the views of Liberal members from Alberta.

Mr. Studer: What is the interest rate?

Mr. Johnston (Bow River): We should support this bill were it not for the fact that it

is not a farm bill at all. It is a banker's bill. I do not know of any other legislation that has ever been introduced in this house that gave an industry that has a monopoly of a product a 100 per cent guarantee on its loans, as has been done in this case.

Mr. Knowles: Is the minister off to Florida?

Mr. Johnston (Bow River): The bank just could not lose under this measure. Show me another place where the banks can lend their money as safely as this one? It just does not exist.

When we find a bill like this, which is loaded against the farmer, we just cannot support it. Perhaps Liberal members from western Canada will support a bill which is so loaded against the farmer. We will see when the time comes. But certainly, we would not be in that position. Here is a bill that proposes to lend the farmer $1,500. Of course, that is misleading; it does not propose any such thing. Of course, hon. members on the other side have not read the bill, nor, I suppose, has the hon. member for Westmorland.

If I understand the bill correctly, and the minister who is not now in the house will correct me if I am wrong, if a farmer has sold wheat to the extent of $1,400, the amount he can get would only be $100. The farmer cannot receive more than $1,500 in total from the disposal of his crops. If he gets that $100 loan and makes one little slip, oversteps the regulation, he is subject to a fine of $500 plus a penalty which is the remaining balance to be paid. Could you say, Mr. Speaker, that that is not loaded against agriculture? Can you understand why the leader of the Liberal party in Alberta condemns it? Can you understand why some Liberal members in this house can be silenced by, and have as their spokesman, the all-wise hon. member for Westmorland (Mr. Murphy), who styles himself as a lawyer expert?

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to advise that his time has expired. Is the house ready for the question?

Mr. W. M. Johnson (Kindersley): Mr. Speaker, it is most understandable that I should be wholeheartedly in support of the amendment moved by my colleague, the hon. member for Mackenzie (Mr. Nicholson), since I on a previous occasion introduced an amendment which did not appear to meet with the approval of the government. It is obvious that the government members are becoming quite fed up with the debate on wheat. We are fed up with the legislation which the government is trying to introduce.

[Mr. Johnston (Bow River).]

The members of the government had an opportunity to rid the house of the discussion on a previous occasion when I moved my amendment and if adopted the pros and cons could have been argued and debated before the agriculture committee. Had they followed that procedure they would have had an opportunity to consider the opinions of the farm organizations in western Canada, and the private members of the government from other areas of Canada would have been in a position to appreciate the problems which are confronting western farmers.

On previous occasions I have referred to the protest meetings which took place in Saskatchewan with respect to the introduction of this legislation and the manner in which it was introduced by the government. It was apparent at the time this legislation was mooted that the government gave no thought to getting the advice of western farm organizations, since their decision was already reached before the conference was held in Saskatoon and before the organizations had an opportunity to present a brief to the government. I might say that the brief that the organizations at that meeting presented to the government was watered down at the insistence of certain organizations which are entirely sympathetic to the government.

Some of those protest meetings took place in my constituency. On the last occasion I spoke on this measure I did not have the time to point out the fact that many of those organizations held their meetings spontaneously, at the insistence of various leaders within the community, who felt that a rank injustice was being perpetrated, and they did not want the whole procedure to go unnoticed and not be granted an opportunity to express an opinion. The Saskatchewan farmers' union played a very significant part in giving as much advice and assistance to these meetings as they could so that the farmers could be advised of the circumstances surrounding trade, circumstances that are resulting in the point directly related to the bill, namely, the financial difficulties of farmers. One of these meetings was held in my own community of Kindersley, where they had the good fortune of having the services of professor K. A. H. Buckley, of the University of Saskatchewan. After following such a procedure, after having information on a non-political basis, the farmers at that meeting, which was attended by over 100, passed a resolution to the effect that the emergency bank loans policy is inadequate for many producers. They requested interest-free cash advances on the basis of 6 bushels per specified acre. Similar

meetings were held at Swift Current, Mr. Speaker, and I understand the hon. member for Swift Current-Maple Creek (Mr. Studer) was in attendance at one of those meetings. I would suggest that in this debate he take the opportunity to outline the resolution which was passed at that grain marketing conference, since it is the people whom he represents who made the decision at that meeting. An obligation rests squarely on his shoulders to present their views before this house.

Meetings were also held at Kerrobert, Unity and Wilkie in my constituency. I may say that the resolutions from each meeting were very similar indeed. This can only mean one thing. It means that the farmers of western Canada have a unanimity of thought on this matter which perhaps they have not had on any other matter except on the insistence on the orderly principle of marketing through the Canadian wheat board.

We will find, Mr. Speaker, that the situation which originated at the time that the problem developed immediately after the harvest of 1955, is growing continuously worse. These protest meetings are still taking place in an effort to bring to the attention of the government the true situation which exists in western Canada, and which is confronting the people of that area. I am informed that even today farmers are making an effort to plow out their roads to town so they can meet together and discuss their problems relative to their financial position and their inability to market any grain at all.

As hon. members may know, we have had one of the worst winters in the west that we have had for many years. The snow and cold conditions are creating serious hardships among the farmers because of the added expense they must go to in an effort to keep their lines of communication open to get to town to buy their normal groceries, to have fuel delivered to their houses and to maintain the other aspects of daily living. The storm of December 12 was very significant. Along with a fairly heavy snowfall, the snow drifted around the farmsteads and buildings, and hon. members from other parts of Canada must appreciate what a great problem it must be to have to spend $100, $200, and much more than that in many instances, to keep the roads open so that one can carry on his normal day-to-day living, if not in comfort, at least in the position where he can get to market and get supplies periodically.

With that background information it is significant to note that farmers are today plowing their roads so that they will be in a position to discuss the very problem that we are discussing here today. They are very disturbed, as they plow their roads to town, to pass by the piles of wheat which are left on the ground. It is particularly disturbing to them, Mr. Speaker, because they realized at the time they piled this wheat on the ground it was unsafe, it was unsatisfactory, but they had no finances to build any storage. Their credit was limited. Anyone from any part of Canada who has done any building realizes that the amount of money which is required to build any kind of a structure to house grain is quite large. Because of the backlog of debts which the farmers had already incurred it was impossible for them to incur additional expenses in building farm storage. It is therefore most heartbreaking for them to drive by these piles of wheat which are being consistently cast asunder by the winds, because a pile of wheat is a conglomeration of small kernels which can be readily lifted and blown away to be lost forever, and the farmer sees the return from his year's labour gradually shrinking before his eyes. In addition to that he will find that in the spring as the snow melts it settles around the pile of wheat which he has not had an opportunity of moving and his loss becomes greater.

Then as he goes by those piles of wheat on his way to town he realizes that there are 58 million bushels of storage space available in the terminal elevators. He recalls on December 7 the Minister of Trade and Commerce (Mr. Howe) stated at Edmonton that there were 100 million bushels of space available in the terminals. His exasperation then reaches the breaking point. He sees his wheat being drifted about and destroyed by the wind and he knows that there are 58 million bushels of storage space available. He knows that if the administration of this government had been efficient in all its aspects much of that wheat would be safe in the terminals rather than wasting away on the ground.

In view of the position of leadership which this government likes to take in terms of international affairs, it is a tragic contribution which they are making toward the support of underdeveloped and starving countries of the world when they let this wheat, which we know we will need in the future, be spoiled and rotted on the farms of western Canada when there is space available in the terminals.

The hon. member for Bow River (Mr. Johnston) referred to the speech made by the hon. member for Westmorland (Mr. Murphy). I agree that the hon. member for Westmorland was ill advised to start off with the line of debate he did when dealing with a subject with which he was so unfamiliar.

I must say that I do give credit to some of the government backbenchers who have come to me personally and asked for my views on the situation of the farmers in western Canada. Those hon. members have an appreciation of the problems which exist in western Canada.

We cannot for one minute assume that farm conditions in other areas are similar to Saskatchewan. There are many factors which must be considered and a comparison of similar circumstances is most difficult. I suggest to members of the government that they would indeed be well advised to invite the western farm organizations—I am thinking of the Saskatchewan wheat pool, the interprovincial farm union council and other prairie pools—to send representations down here to discuss the problems with them so that they may become acquainted with those problems.

The attitude of Saskatchewan Liberals is most unreliable and it is because of that unreliability that many Ontario and maritime members have spoken to me. I appreciate that fact and I appreciate the attitude they have adopted after I have discussed the problem with them. Many times they have said to me that they did not realize that things were that bad, that a farmer might have been able to sell only 300 bushels of grain when he had 5000 bushels in store on his farm.

I would point out that one of the inequalities which exists is in the distribution of box cars among the marketing points in western Canada. It is pointed out in the wheat review that there are many marketing points in Saskatchewan which are still on the initial unit basis. That means that the farmers at those points are allowed to deliver only 300 bushels of wheat. At the same time it is significant to note that a number of points are on the 3-bushel quota.

This indicates to me that the transport controller has not been paying close attention to the problem. There is a dispatch in today's Montreal *Gazette* which indicates that the transport controller has stated that the grain will be moved before the Canadian wheat board has made an estimate as to how much grain it will want moved. According to this article the controller stated that there is no shortage of box cars holding up prairie grain shipments.

If there is no shortage of box cars holding up prairie grain shipments then the Minister of Trade and Commerce should be severely criticized for allowing a situation to arise whereby there are 58 million bushels of storage space available in the terminals. The Minister of Transport (Mr. Marler) has denied any responsibility for filling up the terminals, and the Minister of Trade and Commerce has stated that the moving of the wheat was not his responsibility. Those two ministers would be well advised to get a little closer together and give some thought to the position of the farmers of western Canada who are supposedly being served by the transport controller.

It is fairly obvious that members on the government side who are not conversant with this problem are creating a serious break in relations between western and eastern Canada. Their determination to prevent the introduction of any legislation which would prove to be of material assistance to western farmers is doing much to undermine the co-operation which must exist between all farmers of Canada if we are to achieve our fair share of the national income.

I do not think you will find many farmers on the western plains who will begrudge the freight rate assistance being provided for Ontario farmers, who will begrudge the assistance given to the maple sugar producers to purchase aluminum equipment, or who will begrudge other forms of direct and indirect assistance which have been given to the farmers in this area. I think also that eastern farmers generally have a great deal of sympathy for the western farmer.

I am making the statement now that if the government members continue to try to make a breach between the farmers of Canada, if they continue to be ignorant of the conditions which exist in western Canada, there can be only one answer or only one solution. I have heard this discussed many times during the last few months in Saskatchewan.

The people of western Canada are becoming fed up with the attitude of the government in denying them the South Saskatchewan dam and other things which would improve conditions in western Canada, so much so that they are considering marching on Ottawa. I must say that some of them are thinking in terms of secession.

I submit it is a pretty tragic indictment of the government of Canada when one section of the country realizes that it has been ignored, that it can no longer expect to get consideration from the government. It may be that if this Liberal government continues in power for too many years the only alternative will be for the western provinces to devise their own form of legislation so that they can be treated as they wish to be.

The challenge is out. I do not think any hon. member of this house will agree that the work done many years ago to bring about a national Canada should be so easily wrecked

by the failure of Liberal members from the prairies to present to their colleagues the conditions which exist in western Canada, present them with insistence in their party caucus and before this parliament of Canada. The challenge rests with them and I hope we will not be disappointed.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I am sure it has been a rather disappointing experience to the government, and particularly to the Minister of Finance, to find that, in spite of revisions in the rules of procedure, legislation such as we have before us today is only inviting lengthy discussion.

We are discussing this at length for the very simple reason that the government has failed to appreciate and understand the problem that is involved. Certainly it will be as lengthy a discussion as it is possible for us to make it.

I rose primarily to deal with one or two of the questions posed by the parliamentary assistant to the Minister of Trade and Commerce, but before I deal with them I should like for a moment to say something about the very ill-considered remarks made a few moments ago by the hon. member for Wellington South (Mr. Hosking). The hon. member for Wellington South proved beyond question something that has been cropping up in this debate ever since it began—that the eastern Liberal members have been led to believe that this problem is not as acute as we would like to make out it is. They have been misinformed to the point which prompted the hon. member for Wellington South to make a most irresponsible statement in this house this morning. He asked the question, "Do the farmers of western Canada expect the taxpayers of eastern Canada to subsidize the western farmer in connection with cash advances?" I should like to point out to him and to all other members from eastern Canada—

Mr. Richardson: May I ask the hon. gentleman a question?

Mr. Bryson: Yes.

Mr. Richardson: Thank you very much. How many members of the C.C.F. party are presently in the house?

Mr. Martin: Only two. That shows their real interest in this matter.

Mr. Bryson: There are as many farmers in the C.C.F. party present as there are Liberal farmer members present.

Mr. Dickey: His speech has driven his own supporters out of the house.

An hon. Member: Where is the minister?

Mr. Martin: Where is the leader of the C.C.F. group?

Mr. Bryson: I want to deal for a moment with the question posed by the hon. member for Wellington South. This is not a local problem. It is a national problem. I think it is high time the Liberal members from eastern Canada faced up to the fact that it is a national problem. This morning the hon. member for Mackenzie (Mr. Nicholson) proved in his remarks that this is a national problem. It is time hon. members appreciated that fact. Here is what is going to happen, as pointed out by the hon. member for Mackenzie. We in western Canada have tremendous supplies not only of feed wheat but of feed grain of every other description. What are we going to do with it? The farmers are going to produce livestock in such a way that no farmer in eastern Canada will be able to compete with them.

Mr. Hosking: Why have they not done so before?

Mr. Bryson: We were getting rid of some grain before.

Mr. Hosking: Because they were making so much money from their wheat they did not have to raise livestock, like the eastern farmers, to make a living.

Mr. Deputy Speaker: May I remind hon. members that the hon. member who has the floor may not be interrupted without his consent? May I also remind the hon. member who has the floor that possibly he would not invite so many interruptions if he adhered more closely to the principle of the bill?

Mr. Bryson: I do not mind interruptions of the type I am getting, because they only prove my point that this government has completely misrepresented the problem with which we are dealing.

Mr. Hosking: May I ask another question?

Mr. Bryson: Yes.

Mr. Hosking: Would you suggest to me what our eastern farmers think of the government of Saskatchewan for not being willing to spend $15,000 for butter instead of margarine?

Mr. Johnston (Bow River): The same thing as they—

Mr. Deputy Speaker: That question will, of course, not be answered. We are dealing with Bill 82, and I would like hon. members to adhere to the principle of this bill.

Mr. Bryson: I am very serious about this. I am not saying this just for something to say. I am telling the members of eastern

Canada that the situation is serious. I realize it is physically impossible for the farmers in eastern Canada to compete in the livestock business with the people in western Canada, and there is a very simple reason why they cannot. We have tremendous stocks of grain. That is the chief reason. We are going to go into livestock production. I am not acquainted with what has been going on in the last two or three months as far as the people in my neighbourhood are concerned on this question.

Mr. Hosking: I am concerned about the farmers in my area.

Mr. Bryson: I very reluctantly bring this case up as an example. I can tell you that according to the last letter I had from my farm at Tisdale, they are going to breed 100 sows this winter. That gives you one indication. It is useless for a farmer to go into the livestock business and merely raise a few dozen head if he has 15,000 or 20,000 bushels of feed grain he wishes to get rid of. He has to go into the livestock business on a much bigger scale. This should be a sinister warning to the farmers of eastern Canada that, if this government is not going to accept this responsibility to the western farmer, the whole Canadian agricultural economy is going to collapse because of that fact.

Mr. Hosking: Your farmer will certainly do some work for a change.

Mr. Bryson: That is another irresponsible statement.

Mr. Hosking: You will find out, and so will he.

Mr. Bryson: Mr. Speaker, I would like to mention now the reason why I rose primarily to answer the question. I should like to say, before I leave this matter of the eastern farmer, if the representatives of the Liberal party who are representing farmers from farm constituencies in the provinces of Ontario and Quebec would get up in this house and make the same kind of fight for them as the members from the west have made.

Mr. Hosking: We would get as little done as you over there.

An hon. Member: What are you doing?

Mr. Bryson: You have done nothing. You just think you have. I rose to answer the question that was posed yesterday by the parliamentary assistant. He said that this bill was being accepted by reputable farm organizations right across western Canada. He quoted two or three very dubious organizations. He mentioned the Alberta federation of agriculture, I believe, and he mentioned Mr. Brownlee's organization, which I again say is very dubious, but he did not mention the six or ten organizations which came out with forthright statements in favour of cash advances through the wheat board. I wonder how many members across the way have received letters of condemnation and have received signed petitions from farmers—I am speaking, of course, of the Liberal members from the west—condemning this piece of legislation. I have several in my file, and I would like to put on the record a typical one from a farmer in Saskatchewan in connection with this piece of legislation, because I think it typifies the fundamental thinking of western farmers.

Mr. Deputy Speaker: Order. The hon. member has indicated he intends to place on the record an opinion with regard to this legislation. I think the hon. member will agree that Mr. Speaker has consistently indicated that such a procedure is not in order.

Mr. Bryson: Well, I accept your decision.

Mr. Argue: Just refer to it.

Mr. Bryson: He says that the legislation is worse than useless. I do not know what else he could say about it. We have heard a lot of statements during the course of the debate that cash advances are absolutely not feasible in any shape or form. I should like to point out that the wheat board has already established a principle very close to cash advances in that they are now accepting delivery of grain without any hope of an immediate market for it. They say that they will accept grain when there is room in the elevator. It is placed in the elevator and there it stays. Why can they not go to the farmer and say: We will pay you and you keep it in your elevator. What would be the result? We would save millions and millions of dollars in storage charges. I am not critical of the action but the people of Canada are going to be asked to pay a minimum of $30 million in storage charges. That would have been unnecessary if the government had put forward the proposition of cash advances, paid the farmer for the grain and left it in the farmer's granary. Such action would have saved the taxpayers of the country some $32 million a year.

Mr. Studer: Interest free.

Mr. Blackmore: Why not?

Mr. Bryson: In the face of what I have just said I think that to argue that cash advances are not feasible is rather ridiculous.

Mr. Studer: Interest free.

Mr. Bryson: The hon. member for Swift Current-Maple Creek (Mr. Studer) is trying to prove he is just as stupid today as he was yesterday.

Mr. Studer: I am not stupid. You cannot teach me anything.

An hon. Member: Just a vacuum.

Mr. Bryson: The government is relying on scarcity to relieve them of the burden with which they are confronted today. They are saying the only way the situation is going to be remedied is by a series of crop failures. Once again that is a very false premise upon which to establish any kind of realistic agricultural policy. A policy of scarcity is a criminal policy. It is an immoral policy. Of course, as has been said before, and it is worth repeating, the most potent arguments against acceptance of the legislation have been the arguments made by the Minister of Trade and Commerce (Mr. Howe). I should like to quote one or two things he has said to show exactly what I mean. As found at page 127 of *Hansard* the minister had this to say.

Mr. Deputy Speaker: Order. I have occasion to remember that page from yesterday. That is a page in *Hansard* in another debate, the debate on the address, and I do not think the hon. member should refer to another debate of the same session.

Mr. Bryson: I can refer to it without reading it. In this part I have in my hand—

Mr. Deputy Speaker: Order. Perhaps the hon. member misunderstood me. I do not have the rule before me but my recollection of the wording is that a member must not refer to another debate of the same session on the same subject.

Mr. Hosking: You have been out of order so often you do not know when you are in order.

Mr. Bryson: I will refer generally to the remarks that were made. First of all he said that there was no need to have the wheat board handle the matter because we have so much wheat that the farmers do not know what to do with it. Then the Minister of Finance (Mr. Harris) made the statement that there are many other reasons involved in the question besides the one mentioned by the Minister of Trade and Commerce. In any case we are dealing with a bill which is of no consequence whatsoever. If the government had wanted to do something worthwhile they would have done some hard thinking about the matter, but the cabinet has given out misinformation to the private members of the Liberal party and they are now prepared to support the decision of the cabinet. The members of the cabinet are tired. They are so bankrupt of ideas that the best they can do is to go out to the old Liberal boneyard behind the buildings where they bury things they do not like and which are of no use to them, things they would like to forget like the Liberal promises at election time. The unsuspecting new members of the Liberal party go with them and they dig up this old carcass of a bill which they buried in 1951 after it died from pernicious anaemia in the same year. After it is exhumed and they take a look at it it does not look very good so they sprinkle it with a little bit of tinsel by reducing the interest rate by one-half of one per cent and making the bank guarantee larger. Then they present it but they have not fooled anybody because regardless of all the efforts they made to dress it up it is the same old decrepit carcass it was in 1951. Therefore, Mr. Speaker, we are going to continue to reject this legislation. May I call it one o'clock?

Mr. Johnston (Bow River): On a question of privilege, Mr. Speaker, when I was speaking a while ago the Minister of Trade and Commerce interrupted me to say that my paraphrase of remarks made by him some time ago was incorrect. I stated at that time that it was always my intention to be able to back up everything I say and that if I had inadvertently misquoted the Minister of Trade and Commerce I would withdraw my remarks immediately.

I have looked up the references now and I should like to put them on the record. First of all I said that the Minister of Trade and Commerce had said on other occasions that there were very few farmers who would take advantage of this legislation. He objected to that statement. I think the words he objected to most strenuously were the words "very few". I claimed then that I was right and I want to put the references on the record for the minister's guidance. I am sorry he is not here.

An hon. Member: Page, please.

Mr. Johnston (Bow River): At page 129 of *Hansard* of January 16 he said:

> A certain number of producers have found themselves in difficulty this past season, and the purpose of the guaranteed loan was to relieve those smaller producers.

I contend, Mr. Speaker, that when the minister said that a certain number of producers have found themselves in difficulty it meant that there were very few who had found themselves in difficulty.

Mr. Deputy Speaker: Order.

Some hon. Members: Oh, oh.

Mr. Johnston (Bow River): Just one minute.

Mr. Deputy Speaker: Order. The hon. member is quite in order if he wishes to refer to the page and read the remarks, but in my opinion he is now introducing a matter which

is purely debatable. I think he has sufficiently made any question of privilege which is proper under the circumstances. Do I understand that the hon. member for Humboldt-Melfort has concluded his remarks?

Mr. Johnston (Bow River): Mr. Speaker, on a question of privilege, that is only one instance and that is the weakest. I want to put more on the record which are irrefutable so far as I am concerned. He also had something else to say at page 129. There are three references I want to give.

Mr. Deputy Speaker: Order. It is not a true question of privilege and I must rule accordingly. May I also point out to the hon. member that it is one o'clock and that I am leaving the chair.

Mr. Johnston (Bow River): Mr. Speaker, am I to understand that I will be able to carry on this question of privilege after one o'clock?

Mr. Deputy Speaker: I am unable to see that there is any proper question of privilege raised in the hon. gentleman's remarks to date. During the lunch hour I shall be glad to read the blues of *Hansard* and, if I come to a different conclusion, I shall be glad to inform him accordingly.

Mr. Johnston (Bow River): Otherwise, I shall be obliged to speak again after the house resumes.

Mr. Deputy Speaker: Do I understand that the hon. member for Humboldt-Melfort (Mr. Bryson) has resumed his seat or did he wish to call it one o'clock?

Mr. Bryson: I wish to call it one o'clock, Mr. Speaker.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Johnston (Bow River): On the point of privilege that I asked to raise just before the lunch hour, Mr. Speaker, have you given it further consideration? May I go on?

Mr. Deputy Speaker: During the lunch hour I obtained the blues from *Hansard*. The hon. member for Bow River rose on a question of privilege which resulted from an interchange between himself and the Minister of Trade and Commerce. During the course of the remarks of the hon. member for Bow River, he was citing what he considered the minister had said on previous occasions. I recall that the minister rose and requested the hon. member for Bow River not to paraphrase but to quote from the *Hansard* record.

On the question of privilege which the hon. member raised before one o'clock, he made the following remarks: "First of all I said that the Minister of Trade and Commerce has said on other occasions that there were very few farmers who would take advantage of this legislation. He objected to that statement." The hon. member's question of privilege was then to read the remarks of the minister from page 129 of *Hansard* of January 16, 1956, as follows:

> A certain number of producers have found themselves in difficulty this past season and the purpose of the guaranteed loan was to relieve those smaller producers.

The hon. member for Bow River then went on to say: "I contend, Mr. Speaker, that when the minister said that a number of producers had found themselves in difficulty it meant that there were very few who found themselves in difficulty."

At this time I interjected and indicated that the hon. member was then embarking on what I considered a debatable matter and not a true question of privilege. The hon. member rose and said that this was only one instance and was the weakest. He wanted to put more on the record which were irrefutable so far as he was concerned. I presume this is the same type of reference and I must rule that this is not a true question of privilege but rather a matter for debate.

Mr. Bryson: Just before we rose at one o'clock, I said something about the storage bill which is on the order paper following the one with which we are dealing. I mentioned this as a piece of progressive legislation for which the government is very glad to take credit.

Mr. Howe (Port Arthur): Is my hon. friend talking about another bill on the order paper? Surely he should confine his remarks to the bill under discussion.

Mr. Deputy Speaker: As a matter of fact, I have not been able to hear what the hon. member was saying. Perhaps it is the fault of the amplifying equipment or perhaps the hon. member might speak a little louder.

Mr. Bryson: I mentioned that the storage bill is a piece of progressive legislation. The government is very happy to take credit for it. But they are very careful not to take credit or accept responsibility for the lowest farm income this country has ever experienced. They are very careful also to take no credit whatever for policies which have resulted in the highest cost of living we have ever had in this country.

The farm union delegation is now in the city and what they have to say concerning the value of this piece of legislation with which we are dealing only confirms the convictions that have been held by a great many of us. It is a very sad commentary on conditions when a man has a piece of land which only two years ago was sold for $38,000. The man who bought it placed improvements on it to the value of $5,000, and is now offering it for $20,000 yet no one will take his offer. When he tried to get a mortgage on it for any amount, he was refused everywhere. I think that is a fairly common thing. I know areas in the west where 80 per cent of the farmers are now engaged in some other occupation in order to maintain a miserable standard of living.

When we have conditions such as these and at the same time find the granaries full of wheat, I think it is a very serious situation. Certainly when the Minister of Agriculture (Mr. Gardiner), as he has done on every occasion, maintains that inventories of grain represent a farmer's net worth, that too is a faulty premise on which to establish any sound foundation for this legislation. I venture to say that possibly 50 per cent of this grain will never be placed in an elevator because of spoilage. In conclusion, may I say once again on behalf of the farmers of my constituency who have sent me down here with express instructions to resist this legislation at every opportunity, I once again take this opportunity of doing just that.

Mr. J. G. Diefenbaker (Prince Albert): Having received the return which was tabled today by the Department of Trade and Commerce—

Mr. Howe (Port Arthur): By the Secretary of State.

Mr. Diefenbaker: —by the Secretary of State on behalf of the Department of Trade and Commerce—

Mr. Howe (Port Arthur): No, on his own behalf.

Mr. Diefenbaker: I wish to refer now to a matter to which general reference has been made heretofore, and that is the general demand in the prairie provinces for cash advances on farm-stored wheat. The question that was passed as an order for return was as follows:

> For a copy of all resolutions supporting the demand for cash advances on farm-stored wheat which have been received from western farm organizations and other public bodies, by the Prime Minister and any of the ministers of the government, or officials of the government, since the 15th day of August, 1955.

I have this return before me which tells the story. It indicates that more than 500 western farm organizations, municipalities and the like, have petitioned this government on behalf of what they demand, namely cash advances on farm-stored wheat.

One of the resolutions here is from Prince Albert and it is dated October 6, 1955, and signed by W. C. Bliss, Junior, subdistrict director of the Saskatchewan farmers' union, and represents the viewpoint of farmers generally in western Canada. After giving a general summary of the situation and the financial position in which the farmer finds himself, the resolution reads:

> The most pressing problem is the shortage of cash, and we strongly urge the government to make cash advances on farm-stored grain in an amount not less than 85 per cent of the present initial payment.

It deals also with other matters and other demands of western farmers and ends up this way:

> We urge that parliament be reconvened to take action . . . prompt and courageous action.

Now, this file has not shown all the returns because many of the resolutions were identical one with the other, but passed by more than 500 organizations throughout western Canada. It is for that reason I find it so difficult to understand why western Liberal members are adopting the attitude they are in this house on this matter. I have a tremendous regard for the hon. member for Swift Current-Maple Creek (Mr. Studer). He has a scintillating wit and the power to make parliament really understand problems. I think he spoke with such power this morning when, in an interjection with an hon. member, he said in effect, in reply to the remark that he was stupid: "I am stupid because you cannot teach me anything". Well, in that statement I think the hon. gentleman seemed to be speaking generally, in reference to this particular matter, for those members of the Liberal party who represent constituencies in western Canada.

Some hon. Members: Order.

Mr. Martin: Order.

Mr. Diefenbaker: I do not know why those hon. gentlemen take the stand that they do.

Mr. McIlraith: The hon. gentleman—

Mr. Diefenbaker: I am speaking to those from western Canada, not the wheat farmers from Ottawa.

Mr. McIlraith: No, you are addressing the house.

Mr. Diefenbaker: I am dealing with the situation in the west and with income of agriculture generally.

Mr. McIlraith: You accused the Liberal members of certain characteristics. Maybe

you are the one who suffers from that characteristic, and not the ones you accused.

Mr. Diefenbaker: I simply say to my hon. friend I do not know what he is saying. I know it has nothing to do with the problem with which I am dealing, and as the cuckoo is in June, he is heard but not regarded.

I say to my hon. friend, in the last couple of days the farmers' union has made a submission and has set out in very careful detail the position of the gross and net farm income for all of Canada between 1951 and 1955, and also the gross and net income in the last several years. These statistics indicate the serious cash situation in which the farmer finds himself.

As far as Canada in general is concerned, starting with 1951, the gross and net income among farmers is set out as follows: In 1951 it went down by 10·72 per cent; in 1953, by 21·1 per cent; in 1954, by 48·2 per cent. The figures for 1955 will indicate a further reduction in net income. Net income, of course, is based on a relative comparison between gross income and the cost that the farmer has to incur in order to operate his farm. These costs are rising.

I now come to the gross and net farm income for the prairie provinces for the same period. In 1952 the net income was down by 3·13 per cent; in 1953, by 21·6 per cent; in 1954, by 66·64 per cent. The final 1955 figures are not yet available, but they will indicate a further decrease. A 66 per cent decrease in net farm income in a matter of three or four years is one which explains as clearly as possible the need of cash. If these figures were based upon the purchasing power of the dollar the condition of affairs would be even more serious than is apparent from the simple percentage statistics that I have placed before you, Mr. Speaker.

Farmers generally—and I say this cannot be contradicted; the return tells its story—want cash advances, and everything has been done to prevent their getting them. The minister has threatened; he has endeavoured to intimidate, all with a view to securing the passage of this bill, regardless of the demands of the western farmers. In one instance he has used a stick. I referred yesterday to a speech he made recently in which he enunciated that new principle of parliamentary freedom. On the occasion of the 20th anniversary celebration in honour of himself and of the Minister of Agriculture the stick was used, the toe-the-line philosophy. On the other hand, the carrot is held out as well, the promise to the farmers of western Canada that if this legislation is passed, then and then only will the government give consideration to making further advances or a distribution of moneys on account of 1954-55 pool.

[Mr. McIlraith.]

Mr. Howe (Port Arthur): Mr. Speaker, may I point out to my hon. friend that either today or yesterday a distribution was made to the farmers of western Canada. Perhaps he will withdraw that statement.

Mr. Diefenbaker: I am just mentioning what the minister said the other day; that is all.

Mr. Howe (Port Arthur): Again I am misquoted. If I said something the other day perhaps my hon. friend will read it from *Hansard*. Hon. members think they can rise in their places and say: "The Minister of Trade and Commerce said so and so" whether he did or not. My hon. friend knows that he is not quoting accurately.

Mr. Diefenbaker: I am quoting accurately —I am not quoting; I am paraphrasing what the minister said.

Mr. Dickey: Misrepresenting.

Mr. Howe (Port Arthur): Misrepresenting.

Mr. Diefenbaker: If the minister says what I say is not correct all he has to do is to follow me and indicate that it is not. What I am saying is the fact. He held out a threat, a whip, a stick, accompanied by a carrot.

Mr. Howe (Port Arthur): May I ask, am I not permitted to say whether I did say it or not? I know what I said. My hon. friend is quite capable of quoting accurately. If he will take the trouble to do so, let him turn up *Hansard*.

Mr. Diefenbaker: All right, I will turn to *Hansard* just as soon as I sit down, and indicate the page, because the minister so often forgets what he said.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Yes.

Mr. Hosking: Distorted.

Mr. Howe (Port Arthur): Weasel words.

Mr. Diefenbaker: Oh, my hon. friends interrupt. If we had the kind of domination the minister would like in this house, hon. members would be merely puppets in a puppet show. That is his attitude toward it.

Mr. Howe (Port Arthur): We have the best puppet show right now.

Mr. Drew: You certainly have.

Mr. Diefenbaker: I agree so heartily with that interruption.

Mr. Dickey: In other words, the shoe fits.

Mr. Diefenbaker: Turning members of parliament into pantomime puppets, whereby they are threatened with what will happen,

an election will take place, threatening parliament, trying to steamroller this thing through when farmers on the prairies say: "We do not want this type of legislation; we do not want to be placed in the position of having to pay interest on what we have already earned". What about the legislation? Well, as the Leader of the Opposition said yesterday, it is the counterpart of the legislation of 1951.

Mr. Howe (Port Arthur): Read where a man has to go to jail.

Mr. Diefenbaker: Well, now—

Mr. Howe (Port Arthur): Read from the legislation where a man has to go to jail.

Mr. Diefenbaker: Mr. Speaker, the right hon. gentleman must have had somebody else draft it because he does not know the bill. I will read the section.

Mr. Deputy Speaker: Order.

Mr. Dickey: Wait until we get into committee.

Mr. Deputy Speaker: May I remind the hon. gentleman that he may not read the section.

Mr. Dickey: He did yesterday.

Mr. Diefenbaker: Mr. Speaker, you saved him that time. I will whisper to him "section 9". I come back to 1951 when the legislation was known as the Prairie Grain Producers' Interim Financing Act. That act was very similar, almost a counterpart except that the present legislation goes further and actually in effect places a yoke about the necks of western farmers. I quote from the 1951 legislation:

> Where a person is convicted of an offence under this section there shall be imposed on him, in addition to any fine, a penalty equal to such amount of any guaranteed loan made to him in respect of which the offence was committed as has not been repaid by him, with interest thereon to the date of the conviction, and the penalty shall be paid to the bank—

If the farmer is proceeded against and fails to pay his fine, the alternative is jail. In addition to the fine there is also a penalty of the amount of the loan. I say that that type of thing is disgraceful legislation. It is actually providing for imprisonment for debt and it is adding to all the security of the Bank Act and the further security that is provided in that a farmer may not sell except when he makes payment and to the degree provided for the making of payment. If he commits an offence he immediately finds himself in the position of being subject, first to a penalty up to $500 and then in addition to be ordered to pay as a penalty the amount that he owes.

If he has made a misleading statement, if he does not get cash and is unable to pay the amount of the penalty, the amount of the loan, there is only one alternative open to him, prison. That is provided by the section in question.

Mr. Studer: They have that in Saskatchewan if you do not pay.

Mr. Diefenbaker: I am not going to disagree with my hon. friend. It just shows the degree to which this government is imitating the socialists in Saskatchewan with legislation such as this.

Mr. Coldwell: That was on the statute books before the C.C.F. were elected.

Mr. Diefenbaker: This is a private argument between the C.C.F. and my hon. friend and I am simply an onlooker. I pass on to this legislation of 1951. In 1951 conditions were such that legislation similar to the present act was placed upon the statute books. We said that insufficient had been voted—$20 million was the amount—and ever since the right hon. gentleman has pointed out to us that the legislation was not used. He asked me to quote, and I shall quote what he had to say on November 18, 1953, as reported on page 128 of *Hansard*. At that time he was giving the reasons why advances on the farm, as he called them, were not necessary. I quote:

> It will be understood, then, why the government considers that the need for farm advances has not been proven.
>
> The government also had before it the results of the legislation approved by parliament in 1951 for advances to producers of grain on farms. Hon. members will recall the circumstances of that year. A very large crop had been grown but a great deal of it was tough and damp and a very large area was under snow and could not then be harvested. Faced with this situation, which was certainly very much grimmer than now prevails, the government introduced a bill to provide short-term advances to farmers. The banks were to be guaranteed against losses on loan advances up to $20 million on both grain in storage and grain in the fields.

After a few pleasantries directed at myself—

Mr. Howe (Port Arthur): Better read it all, do not skip anything.

Mr. Diefenbaker: The right hon. gentleman had this to say:

> I regret to say, however, that even though advances under this 1951 legislation were very limited and one might have thought that the risk was negligible, over $40,000 is still outstanding and the Department of Finance has paid losses to the banks in excess of $11,000. These results must cause anyone to pause who advocates that the wheat board or the treasury should become involved in a widespread system of advances on farm-held grain.

He said the legislation did not work, that it was worthless, and then in order to show how worthless it was he duplicates it in 1956 and asks the farmers to accept that which he said was not successful in 1951. Is it any wonder that in 1951 the farmers did not accept that kind of legislation? They were not looking for passports to jail, they were looking for advances which would make available to them the necessary money to pay their current expenses.

What happened—I say this with great respect—to the hon. member for Rosthern (Mr. Tucker) a few days ago simply summarized the attitude of western farmers everywhere. As a matter of fact, if I might be allowed to paraphrase—

Mr. Howe (Port Arthur): Something more.

Mr. Diefenbaker: My right hon. friend will understand this because he was an American until recent years. Paraphrasing Emerson I would say: Here once the embattled farmers stood and fired their shots heard around the west. That represents the attitude of western farmers everywhere. They are demanding that cash advances be provided. The record before us indicates the extent of that demand.

If the legislation did not work in 1951 why embalm it in another piece of legislation which is almost a photographic copy except for the amount which the banks may lend and also the extension of the penalties provided in 1951. The reason given by the minister in 1953 was that this kind of thing could not be done because the farmers were dishonest, because they were evading it, and because we have suffered loss. Ever since 1951 whenever any member of the opposition has suggested that something should be done to assist the farmers by cash advances on farm-stored grain the minister has bravely stood his ground and pointed out that the 1951 experiment was unsuccessful, that it did not work, that only a very small percentage of the total amount guaranteed was taken over by the farmers.

That is the reason for the small amount. What is the percentage? I understand it is about 4 per cent of the farmers. Four per cent have taken advantage of this, and that is all. They have been forced into that position against their own wishes and desires, against the resolutions which they themselves joined in having passed.

That is the reason why we take the stand that we do, and it has been a consistent stand. Last September when the matter was first mentioned, with the approval and consent of the Leader of the Opposition (Mr. Drew) I said that we believed in cash advances and that parliament should be called together. When the Leader of the Opposition was in western Canada in October and November and saw the situation he reiterated over and over again the need for action along this line being taken. But parliament was not called. If parliament had been called, the whole matter could have been discussed. Instead of that, the back-door method of cabinet decree was used and we are asked in parliament to rubber-stamp what the government did when it acted in derogation to everything the western farmer has demanded.

I was surprised this morning to hear the hon. member for Wellington South (Mr. Hosking) make a statement which in some ways seems to epitomize the viewpoint of some of my hon. friends opposite. Referring to the western farmers, he said this: "Your farmer will certainly do some work for a change."

That was a statement that ought not to have been made. I would like to see some of the Liberal members from Saskatchewan, Manitoba and Alberta stand up and repudiate that—unless my hon. friend has indeed become the voice of the members of the province of Ontario supporting the government. That was a very serious statement. We are not asking for any handouts. The government is the only market, through the wheat board. The farmer is entitled to what he has earned. Being in that position, he resents having to pay interest on the work he has done. We took that stand first in September, then when our leader visited western Canada, then again in the initial speech made in this House of Commons this session by the hon. gentleman, and also during the month of December when we said, as far as the resolution stage was concerned, "We shall accept this, because apparently something is going to be done."

I say, with all respect to the Department of National Revenue, which seems to have a monopoly of this sort of thing, that what is produced is almost a photostatic copy of a bill that did not work then. We were defeated when we asked that it be submitted to the agriculture committee. What we are trying to do is to secure through parliament by parliamentary means what the western farmer is asking for and what he has demanded over and over again. It may be that in the stand we take, because of the overwhelming government majority, this legislation will be pushed through. If it is, my answer to those who push it through is that if the 1951 legislation does not work, this legislation cannot work either. The experience of the past few months and the degree to which it has not been made use of indicates that it does not meet the situation.

Indeed, this problem is one that recurs from year to year. Not every year, but from time to time, it has recurred since 1952. In November 1953 the Leader of the Opposition, then speaking as I say he was speaking, for those in western Canada who had been asking for this kind of thing, demanded that legislation providing for cash advances should indeed be brought into effect. When finally the bill came up for second reading, the hon. member for Calgary North (Mr. Harkness) showed the attitude of this party in the amendment he tried to move, but it was ruled out of order. That amendment—and I am now paraphrasing—provided that the bill be not now read the second time but that there be substituted therefor legislation to provide for cash payments on farm-stored grain. In other words, cash advances are what we in this party have demanded over and over again. The support we have given to them is indicated by what I mentioned a moment ago—our support of similar legislation in 1953 and since.

Apparently even among members of the government there was not very much certainty as to what they were going to do. You will remember when Mr. McDonald, the leader of the Liberal party in Saskatchewan, came here—I think it was in October—and said something had to be done. He said, "I can't tell you what it is." It is like the old Indian medicine, Kickapoo juice; it would cure anything, but they never told you the contents. He returned and said, "I have found it; I have got it." Then it was rumoured that the plan was indeed guaranteed bank loans. On October 24, 1955, the Minister of Agriculture, speaking in Winnipeg, said that while there were complaints, including a complaint from the Manitoba government, these complaints were based on a belief that the federal government had chosen bank loans rather than advances. He said, in effect, "Don't believe it." There was the criticism of the Manitoba government and its representative. There has been the criticism of the leader of the Liberal party in Alberta, who knows what the people think.

Mr. Prudham: Mr. Speaker, I rise on a question of privilege. It is bad enough to misquote a member of this house, but I think to misquote someone outside the house, who is not here to defend himself, is not right.

Mr. Diefenbaker: That is his privilege, is it?

Mr. Deputy Speaker: I am afraid what the minister has raised is not a true question of privilege in the House of Commons.

Mr. Diefenbaker: If my hon. friend does no better at interpreting the feelings of the western farmers than he does at interpreting what Mr. Prowse said the other day on television, then I am very sorry for the people of Alberta. Everywhere throughout the western provinces the farmers are asking that we take action in this parliament to meet the situation.

I make this last appeal, that the government reconsider the matter now. I know that in recent weeks of this session, this government has scintillated in confusion, but I hope that out of the confusion of jarring statements made by various ministers since October last will come at last a realization that what the western farmer wants is cash advances. If even now they will withdraw this legislation and bring in what the farmer wants, it would be assured of immediate passage in this house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I have not had a great deal to say on this matter in the past week or so, because I have felt that there were many others who wished to speak and that they should be accorded every opportunity of doing so. In this group we are fortunate in having with us most of the practising farmers on this side of the house, and I have been very happy indeed that, while I represent a constituency that is primarily interested in this problem, we have men who are actually engaged in production—

Some hon. Members: Oh.

Mr. Coldwell: I should correct that and say "western farmers". I have risen this afternoon to make one or two observations I have wanted to make for some time. I want to say to the Minister of Trade and Commerce (Mr. Howe) that the position in which western farmers have been placed by this situation is deeply resented by them. I informed the minister of a constituent of mine who for two reasons, one because he needed the storage space and the other because he needed cash, was actually selling 1954 feed wheat to the stockyards in Saskatoon for a cent a pound and paying 20 cents a bushel for hauling it. In other words, he was getting a net of 40 cents a bushel at Rosetown, Saskatchewan, for that wheat. When you examine the value of the dollar today compared with what it was in the 1930's, about which we have so often talked in this house, that means that in pre-war currency he was getting about 19 cents a bushel or about the lowest price that farmers in that area got for their wheat at the elevator in the very depths of the depression.

I am not going very fully into the legislation before us this afternoon because it has been gone into by so many. It is unsatisfactory legislation. It is legislation which we

saw introduced in 1951 and which we opposed at that time by an amendment to the resolution urging the government at that time to adopt a policy of cash advances. That has been our plea in the house ever since 1951. I am going to say to the minister that I am not in agreement with those who say that because we have a surplus of wheat at the moment on the western prairies our farmers should be told to cut down their production of wheat next year. I am not sure when that wheat will be needed in view of the reports coming to us from Europe at the present time that hundreds of thousands, yes, millions of acres of winter wheat have been destroyed by the great frost in Europe. Next year, or the year after this, wheat may be a very valuable asset to Canada and to the world.

I am never one of those who believe in restricting production to meet a situation of this sort, but I am saying that this valuable reserve, this valuable asset to Canada and to the world should not be carried by the farmers who produced it but that the people who should carry the burden are the people of this dominion. Of course it can be done in two ways, by making cash advances repayable when the wheat is marketed on a quota basis and then the surplus stored and storage paid to the farmers who have their wheat properly stored to meet the future needs of people here and across the world.

As was said this morning, because of the inability of the farmer to market his grain and his inability to get cash advances which would enable him to build more adequate and safe storage space, there has been a serious deterioration of wheat on the western prairies which we as a nation and the world may regret in the days to come. I have never had very much faith in the government's protestations about the wheat board. I am very glad that recently in the debate we have not heard it said that those of us on this side of the house are weakening or undermining the wheat board. That can be demonstrated to be quite untrue. As a matter of fact the records clearly prove on which side of the house the people sit who through the years have been supporters of the orderly system of marketing.

I regret that the Minister of Agriculture (Mr. Gardiner) is not in his seat this afternoon. Last night he accused me again of having misrepresented him on many occasions over recent years. I have no recollection of having done so except in so far as I said a few days ago that I had been misinformed and that I had misquoted the Minister of Agriculture. I admitted that and put the record straight. But the Minister of Agriculture is constantly saying that he has been misrepresented either in the press or in this house. He said it last night when it so happened that I had the *Hansard* on my desk from which I am going to quote in a moment.

The hon. member for Mackenzie (Mr. Nicholson) was referring to a statement made in the house by the Minister of Agriculture on April 5, 1939, and the minister disputed the accuracy of the statement of the hon. member for Mackenzie. I happened to have the *Hansard* with the verbatim report of what the Minister of Agriculture said. It is true that speaking from memory the hon. member for Mackenzie left out the reference to 20 bushels to the acre, but otherwise the statement was correct in every particular.

Mr. Howe (Port Arthur): Was not the 20 bushels to the acre the essential part of the statement?

Mr. Coldwell: I would not say that was the essential part of the statement. If the minister thinks so I will not argue that point, but in any event the matter was cleared up immediately. The accurate statement was placed on the record last night from *Hansard* of that date. Last night the hon. member for Mackenzie said, as found at page 1276 of *Hansard*:

> Mr. Speaker, when the matter comes up again I will have the reference in *Hansard* and I will be very glad to place it on the record.

Then I said, "Here you are." Then the Minister of Agriculture said:

> The hon. gentleman who has misrepresented it for all these years is now handing it to you.

I have not misrepresented it. I have not referred to it for some years now but whenever I did I used to carry with me a copy of the *Hansard* for April 5, 1939, and read what the minister had said from the record. I went further and read more than what was read last night although I do not think it made a material difference to the argument in question that, if we raised 20 bushels or more to the acre, wheat could be produced at 30 to 40 cents a bushel in western Canada. But the other day I was speaking in the house and I said this in this same debate—I am not quoting from a previous debate but the same debate—as found at page 843 of *Hansard* of February 3:

> . . . I remember perfectly well the Minister of Agriculture rising on occasion after occasion in the house and defending the grain exchange method of marketing.

The minister said, "Oh, no." Then I said:

> Hon. members who were in the house at the time, and I am sorry to say there are only a very few of us left, can remember it as vividly as I can.

Then the minister said:

... My hon. friend should not quote unless he has *Hansard* here to prove it.

One reason I am speaking this afternoon is that I have *Hansard* here to prove it. In the same debate the minister said that he had not supported the competitive system of marketing, which is the grain exchange method of marketing, since he had been in the house. Well, here is the record. Speaking in the debate on April 5, 1939, he referred to a speech of the late Hon. J. L. Ralston, to which I had referred, and said, as found at page 2612 of *Hansard* of that date:

Hon. J. L. Ralston, speaking in 1935 for the Liberal party, then the official opposition, on the grain bill of that year, which later became the wheat bill, and replying to Mr. Bennett, said, as reported at page 3581 of *Hansard*:

"I do not believe that the people of the Dominion of Canada are favourable to a compulsory wheat board, to a board the constitution of which will mean that every wheat grower, every elevator man and everybody engaged in the wheat business must deal with the government agency and no one else. This matter of policy has been discussed before not only in this house but throughout the country. The government has carried on with a voluntary system for five years as Mr. McFarland and the Canadian Co-Operative Wheat Producers Limited have been nothing more or less than a board conducting voluntary market operations. A man was entitled to sell or not sell to Mr. McFarland as he saw fit. I submit that so far as the western wheat grower is concerned that the voluntary system should be continued until there has been more opportunity to consider the matter. I do not believe the compulsory feature of this bill will meet with approval, either in the west, in the east or in this house."

That is the end of the quotation. Then the minister added these words:

There you have the issue clearly drawn between the two parties at that time—

I will refer to those words in a moment.

—in the house: One was for compulsion; the other—

The Liberal party.

—was for a continuance of the voluntary system.

Those were the words of the minister in this house on April 5, 1939. Then he went on to discuss the undertakings that Mr. Bennett had given at the time the wheat board was under discussion and he said this:

When these undertakings were given, indicating that the legislation was to deal with a temporary condition, that it was not a permanent policy, and that even while it was in force it was subject to the control of the government of the day, it passed the house unanimously.

I place this record on *Hansard* in order that the position may be quite clear in any discussion which may take place in regard to the actions of the government from that day to this, whether under the previous prime minister or the present Prime Minister.

Then my hon. friend the minister went on to describe some of the operations of the wheat board under Mr. McFarland and subsequently, at page 2615 of *Hansard* of 1939, having clearly outlined all this, he summarises what we took to be his own opinion in the matter. He says:

I have come to the conclusion that to ignore the so-called law of supply and demand, as Mr. Bennett said his government intended to do when they brought in the first bill in 1935, will eventually wreck any system that can be devised, by loading the system with an enormous surplus or by giving it an enormous deficit.

There we have the record indicating quite clearly that the statement which I made—and which the minister denied—was perfectly correct in every particular. I had, of course, quoted a former minister of agriculture, the late Hon. W. R. Motherwell, to the effect that he had been deceived, that when he wished to market his grain through his own local elevator through the wheat board, he was unable to do so in 1938.

Mr. Howe (Port Arthur): You win the argument by default.

Mr. Coldwell: How?

Mr. Howe (Port Arthur): The minister is absent.

Mr. Coldwell: I am sorry the minister is absent, but what I have done is to quote the record. I cannot understand how the Minister of Trade and Commerce (Mr. Howe) could say that I win by default when I have quoted the record; and I have tried to quote it accurately.

Mr. Howe (Port Arthur): You quoted it in the absence of the minister.

Mr. Coldwell: I am sorry the minister is absent.

Mr. Ellis: Whose fault is that?

Mr. Coldwell: As a matter of fact, I thought he would be here.

Mr. Howe (Port Arthur): Perhaps the hon. member picks his days.

Mr. Coldwell: No; I do not pick days. If the minister really wants to know the truth, I may tell him that I did not speak yesterday because I was not well. That was the only reason. Perhaps I should not be speaking this afternoon. But I want to say that what I have tried to do is correct a statement which the minister made in reply to a statement that I had made that afternoon.

I hear from a good many of the wheat producers in western Canada. My constituency is wholly a wheat-producing constituency. I was over the whole of it last autumn from one end to the other. My constituents at various points—and all of them are wheat farmers—expressed deep resentment at the

proposal once again to introduce this bank loan plan which—as the hon. member for Prince Albert (Mr. Diefenbaker) said in the speech he has just made—was proved to be a failure in 1953. We knew that it would be not only unpopular but mainly useless in 1951 when we moved the amendment to which I have referred calling for advances. We are therefore opposing this legislation because we disbelieve in it, because we think it is inadequate and because we think it is resented by the people who sent us here, and we are saying so. Not only are we saying so but at every opportunity we are going to vote against it.

I know we were the only party in the house which voted against it at the resolution stage. We voted against it then because we hoped that if the house showed its disapproval of this legislation at the resolution stage, a bill such as the one we have before us might not be introduced but rather that the government might reconsider its proposals and introduce another bill designed to meet the needs of the western wheat growers. I think that is what they hoped for as well. The government have not seen fit to do so. They have adopted this policy and they are going to put it through, I have no doubt. But they will put it through over our opposition.

Let it not be said that the opposition that has been indicated in this house to this measure is in any way fomented by those who are opposed to the wheat board. That was said on occasion but I am glad to say it has not been said just lately. Let that not be said. The Winnipeg *Free Press*, the newspaper which has been said to be opposed to the board, was opposed to the board, I know, when the board was originally set up and for some years afterwards. But as I read the *Free Press* today, even it accepts the situation as an accomplished fact, realizing that the producers want such a method of marketing and realizing perhaps that with an international wheat agreement—which I may say I hope will be consummated—this is the only way in which wheat can be marketed successfully under agreements and on the markets of the world. Hence today I believe there is unanimity in Canada—except for a minority who would like to restore the entire grain business to the grain exchange—in support of the wheat board method of marketing. We therefore do not need to argue that point.

I am going to say this to my hon. friends of the Liberal party. While I have said—and it is my belief—that they were opposed to this method of marketing for a long time, and that they wanted to do all they could to keep the voluntary system or, as they call it, the competitive system, because of the experience of the government during the war years and subsequently I believe they, like the rest of us, now believe that the wheat board is here to stay and that it is the best method of marketing.

But that does not mean that, under circumstances such as those which now exist, our farmers are able to market enough grain to pay their expenses and their taxes; and those taxes are an extremely serious consideration in all the three western provinces where wheat is grown in large quantities. The municipalities in Manitoba, in Saskatchewan and in Alberta are all finding it difficult to maintain their essential services and their school systems. These bank loans will not suffice. If a man can get a bank loan under this legislation, he can get a bank loan anyway. If he is marketing some of his wheat, the bank loan he will get is so small that it will make little difference to him and it will not enable him to pay his taxes or to prepare his machinery for seeding in the springtime. So it is that we are opposing this legislation because we should like to have seen something different. Today, of course, I suppose it does not matter, from the point of view of the western farmers, whether or not this legislation is supported by the opposition members. Loans have been made and the guarantee was given by the Minister of Defence Production—

Mr. Howe (Port Arthur): The Minister of Finance (Mr. Harris).

Mr. Coldwell: Yes, the guarantee was given by the Minister of Finance to the banks, and I have no doubt that guarantee will be carried out. I want to say this to the Minister of Finance (Mr. Harris), who is also not in his seat: When this was contemplated the proper thing to have done was to have called parliament together to have this legislation, if this was to be the legislation, passed by the house.

I think the pledging of money on behalf of Canada is not a matter that can be done by order in council. If there is one traditional right we have in this House of Commons, it is the control over expenditure. It may be a very shadowy thing in a house where the government has the huge majority it has in this parliament, but the real function of this house it not to initiate legislation, which is the business of the government, but to control expenditures. This might have been a very heavy expenditure. I do not know what amounts are out at the moment but I imagine they are relatively small and yet, in many

people's eyes, probably quite substantial. This has been done without the consent of this parliament.

Parliament should have been called together when the situation was realized last September, and provision made, not for bank loans or loans upon which the farmers would have to pay 5 per cent interest on what has been described in this house as their own earnings. At the same time we were told that a powerful company, controlled in almost every particular in the United States, would have very great advances, not in the form of actual cash but in the form of a great national project which I think should not be alienated, at 3·5 per cent interest. The contrast is striking, Mr. Speaker. So I am rising this afternoon to support the amendment we have moved, just as I rose to support the other amendment we moved, to give this the six months' hoist.

Mr. Charles Cannon (Iles-de-la-Madeleine): We have listened to this debate for some time, Mr. Speaker, and I was going to say mostly but I will say nearly all the speeches from the opposition were irrelevant or repetitous. I think, therefore, we on this side of the house have good reason for not intervening in the debate to prolong it uselessly. But having just listened to the speech by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the speech by the hon. member for Prince Albert (Mr. Diefenbaker) I think that one or two remarks would be in order at this time.

In my opinion the hon. member for Rosetown-Biggar put his finger on the crux of the problem when he said he is of the opinion that the surplus wheat we have in the west at this time is a great national asset. In saying that, he is repeating what the Minister of Trade and Commerce has already said, that it is no calamity to have a great wheat surplus because at this time they have bad weather conditions in Europe which may lead to a bad crop and we will undoubtedly sell our wheat crop eventually.

Mr. Coldwell: May I say—

Mr. Cannon: What impressed me most in what the hon. member for Rosetown-Biggar said, if the hon. member will allow me to continue, was that he thought the people of Canada should pay for the carrying of this surplus wheat; that is the crux of the problem. We on this side think that money should be advanced to the farmers but that they should pay interest on it. The people on the other side think that money should be advanced to the farmers without interest. Who is going to pay the interest? Evidently it is the people of Canada. Is it fair that the people of Canada should be called upon to pay interest for the farmers in the west? Why should I not say, as the member for the Madeleine islands, that the people of Canada should pay interest to the fishermen on their fish products that have been canned but not sold or that have been frozen and not sold. There are many other instances. You could go to the coal mines or anything that is produced in the country.

You could say, why should the people of Canada not make advances on all of these things that are produced? Why should they pay interest on such money? I think what the hon. member for Rosetown-Biggar has stated illustrates how weak is the position of the opposition and how strong is the position of the government. He has put his finger right on it. Why should the people of Canada pay that interest for the western farmers if they do not pay interest for all the other producers of this country?

Now, I want to mention what the hon. member for Prince Albert (Mr. Diefenbaker) said. I am sorry he has left the house. He has a reputation, which I am sure is well deserved, of being a distinguished lawyer. He has made a statement that I think is a legal heresy. His statement was more or less along the same line as that of the hon. member for Rosetown-Biggar. He says the farmers have produced this wheat, and therefore they should be paid for it and they should not have to pay interest on the money they get for it, whether or not the wheat is sold. There again, you cannot support a statement like that if you have a legal brain and if you know what the law is all about. Why should a person be paid for something he has produced before that thing has been sold? Why should he get that money without having to pay interest on it? I think perhaps all the western farmers can expect us to do for them is just what we are doing, to facilitate their getting bank loans on which they pay interest. It is only the normal thing. Why should they get money on their products, without paying interest, without having sold their products?

I think we are doing the right thing for the farmers. I am sure the farmers in the west are just as good citizens as any of us are. I am sure they are pleased with the legislation we are passing for them, which is privileged legislation, but I do not begrudge it. I am sure they realize they are getting a privilege through this legislation. I am sure the members of the opposition, and particularly the members of the C.C.F. group who have carried on a filibuster against this legislation, have not gained one vote but on the contrary have lost votes in the western part of the country.

Grain

Mr. Victor Quelch (Acadia): I wish to say a few words on Bill No. 82, Mr. Speaker. A number of us in this group at the resolution stage criticized the government's proposal at some length. On the other hand, it was a resolution to introduce a bill and we did not vote against the resolution because we wanted to see just what was going to be in the bill. We wanted to be in a position to accept or reject the bill on its merits. After we read the bill, there was no doubt in our minds that the bill should be rejected. Therefore, when the C.C.F. moved an amendment to report the subject matter of this bill to the committee on agriculture, we supported it.

The Minister of Trade and Commerce (Mr. Howe) suggested that such action would kill the bill. However, I believe the hon. member for Winnipeg North Centre (Mr. Knowles) showed quite clearly that that would not necessarily be the result, but that the subject matter could be sent to the committee on agriculture, and if the committee saw fit it could recommend to the house that the bill be again presented. Then, the bill could be put through the house if the house saw fit. Therefore the argument of the minister was not a very sound one.

However, I did present an alternative to the government. I suggested that after second reading the bill itself should be sent to the standing committee on agriculture and colonization. There was nothing unique about the proposal. We do it every year. At the time I was somewhat disappointed, but I will not say surprised, that the Minister of Finance (Mr. Harris) rejected the suggestion and said the government was not prepared to send the bill to the committee. I think it is a pity. It is quite an important measure. I should like to see a bill of this kind given far more consideration than it is going to get, and perhaps be extended into something of a permanent character, useful in the future instead of just for the moment. If this bill had been sent to the agriculture committee and we had called representatives from various farm organizations, then they could have given their views on the bill itself.

I do not know whether the government actually consulted any of the officials of the main farm organizations on the drafting of this bill. I doubt very much whether they did because I was speaking to one of the officials of one of the main farm organizations just two days ago, and I asked him what he thought of the bill. He said: "I have never seen it". He has not the slightest idea what is in the bill. He could not say whether he was in favour of it or not until he had seen it.

[Mr. Cannon.]

Mr. Howe (Port Arthur): May I ask my hon. friend a question? Is it customary to issue copies of bills before they are introduced in the house?

Mr. Quelch: No; but in a matter of this kind, in view of the fact that the minister had been out west and as a result of that visit came to the conclusion that loans should be made, it would have been a wise act on his part to call representatives of the unions down to Ottawa and discuss with them just what they thought should be in the legislation. In so far as agriculture is concerned—I may be wrong in this—I have a very strong feeling that the government acted differently in regard to the banks. I am not suggesting that the government issued the bill to the banks before it was introduced, although that may be possible, but I am pretty sure they consulted closely with the banks relative to various sections of the bill. If banks are to be consulted in that way regarding matters in the bill relating to them, surely it would have been a matter of courtesy, if nothing else, to give the same privilege to farm organizations. The minister could have very well discussed those sections that he intended to put into the bill relating to farmers because there are some features in the bill that I am satisfied the farmers will bitterly resent when they learn about them. At the present time they do not know about them.

Mr. Howe (Port Arthur): I can assure my hon. friend that responsible farm leaders well known to my hon. friend suggested that we use the form of legislation of 1951.

Mr. Quelch: Well, the situation in 1951 was very different from this one. What did you have then? You had your wheat unthreshed under the snow on the prairies. There was quite a question whether or not that wheat would ever be harvested at all. Undoubtedly, a great deal of risk was involved. What is the situation today? The grain is in the bins and the loans have been made on only a percentage of the grain, on only 50 per cent, I would imagine.

Mr. Howe (Port Arthur): Mr. Speaker, for a small farmer it could be 100 per cent.

Mr. Quelch: Well—

Mr. Howe (Port Arthur): This bill is meant to help the small farmer.

Mr. Quelch: Only half of each delivery is to be paid to the banks. Therefore, it must be 50 per cent. Otherwise, what has happened to the other 50 per cent? It is not 100 per cent; it is 50 per cent. Therefore, I say it is only a percentage of the wheat against which the loans are to be made; just

half the wheat. If a farmer should have 10,000 bushels and loans are made against only 5,000 bushels, the most he could get would be $5,000, but actually the maximum loan is only $1,500, therefore a man would need at least 3,000 bushels of wheat to get a $1,500 loan.

As I say, there are a number of features of this legislation which are of a very questionable character. When the hon. member for Vancouver South (Mr. Philpott) spoke the other night—I am going to use his own words, especially since he is not in his seat—he said this, as reported at page 1218 of *Hansard*:

> By suggesting that this bill should be sent to the committee on agriculture and colonization they are in fact saying that the western farmers are in no hurry for cash advances of any kind and can afford to wait for months and months.

By "they" he meant the members of the opposition.

Mr. Cannon: Is that not right?

Mr. Quelch: That is where you are absolutely wrong. They do not have to wait for months. Loans are already being made. Over 8,000 farmers have had loans up to the end of December, according to the figures given by the minister. I think $7 million has already been lent.

Mr. Hosking: You are learning something.

Mr. Quelch: The average loan is around $800. There is no question of the farmers having to wait. It makes very little difference whether this legislation goes through today or a month hence. Loans have been made in a large number of cases and I suppose they will continue to be made.

Mr. Studer: The hon. member said they were not getting them.

Mr. Quelch: If the hon. member would just listen he would not make an unwise statement like that. Let me finish what I have to say on this point. Loans have been made, 8,000 of them. I will guarantee that the majority of those loans would have been made whether this legislation had gone through or not. If this legislation were withdrawn tomorrow the banks would continue to lend in the same way as they have lent in the past. Why have the farmers hung back? For the simple reason that they do not like going into debt when they have wheat in the bin and they want to sell it. They want to sell wheat, not borrow money on it. Why should they borrow money on that wheat in order to pay bills? That is what most are doing.

Mr. Cannon: Will the hon. member permit a question? Why should farmers get cash advances on their wheat without paying interest on it any more than any other primary producer in Canada?

Mr. Argue: Do you pay interest on the butter floor price?

Mr. Quelch: Let me finish this other point. The point I was making is that the farmers are getting the loans, and will continue to get the loans even though this legislation is not passed.

Mr. Cannon: They are paying interest.

Mr. Quelch: Yes, of course. That is the reason. The reason they have not asked for loans is that they do not want to pay interest. They are hoping to be able to sell the wheat. That is the reply to the hon. member who just rose to his feet. The reason the farmers should not have to pay interest is this. The government is in control of the marketing of wheat and of transportation. Last year sales broke down. They could not get orders. This year they could get orders but they could not get box cars. It is transportation that has broken down. The government is in full charge of that policy. The farmers have a right to expect the government to at least pay them the price of the normal delivery for wheat on the farm. That is all they are asking for, the normal delivery of wheat. Why should they pay interest on that?

Mr. Hosking: They have already sold more than an average crop.

Mr. Argue: That is not true.

Mr. Quelch: That shows just how little the hon. member knows. The minister himself said that some points have a one-bushel quota. Is that a normal crop? Some points have a 2-bushel quota, and some have a 3-bushel quota. Does the hon. member call that an average crop? It might be in his part of the country, but if so, he must live on a stone pile. That is certainly not the situation in western Canada where the average yield even in an average year was around 17 bushels. In the past five years the average yield has been considerably in excess of that amount.

While I say there is a 1-bushel quota at some points, there are many farmers at those points who have not been able to deliver one bushel on the 1-bushel quota. Most points have been able to deliver the initial amount of 300 bushels, but there are many farmers who have not been able to deliver one bushel on the 1-bushel quota. It is not very pleasant for those farmers when they see a point 30 miles away where the farmers can sell three bushels to the acre and they are unable to sell one. As a result of that situation they

have bills in town at the different stores unpaid. They would like to pay them. They are not paying any interest on those bills. Can you blame them for not going to borrow money and pay interest on it in order to pay another bill upon which they are not paying any interest? It would not be very good business; it might be good ethics. That is why many farmers are taking loans today to pay bills on which they do not have to pay any interest. They are doing that because they like to pay their debts. They would rather pay interest on the debt to the banks than continue to allow the bill to run in the store, because they realize it is a hardship on the storekeeper. I would say that is true of 95 per cent of the cases. It just goes to prove that the farmers of the west, as a rule, are honest men and like to pay their debts. But they think there should be a limit to the extent to which they should be plunged steadily further and further into debt. They have the right to expect that they should be able to deliver a normal delivery. All that the farmers in the constituency that I represent ask for is for the government to make an advance up to 50 per cent of the normal delivery. By advance in that case they meant payment on the wheat and not a loan. They rejected the idea of a loan. They suggested that the normal delivery should be on the basis of 8 bushels to the acre because they were afraid that if it stated merely the normal delivery the government might take only 2 or 3 bushels to the acre. That is the stand they have taken to date. I have absolutely no hesitation in saying that if they read this bill they will reject it.

The farmers did not tell me that. As a matter of fact when matters of this kind come before a convention in my constituency and I try to get the farmers to give me a directive as to whether I should vote for or against something, they have always insisted that I use my best judgment. They say, "You are on the spot; you know the facts; therefore we are going to leave it to your discretion to decide whether you vote for or against the measure." I am using my discretion at the present time in rejecting this bill. The title of the bill reads:

> An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

I suppose that could be said to be the purpose of the bill. I would appreciate the minister correcting me if I am wrong, but I gathered from what he said that the purpose of the bill is to make loans available to the weaker farmer, the small farmer, the new farmer or the farmer who is financially embarrassed. I take it that is the main purpose of the bill, that is the class he has in view. I think he will agree that this is a fair interpretation of his attitude. I do not wish to misinterpret him and it would take too long to find his actual statement by going through all the pages of *Hansard*. I take it that this is the general purpose.

Therefore the minister will agree that if that is the purpose it is most important that this bill should carry out that purpose. I claim that the bill does not carry out that purpose. As a matter of fact, I claim that many farmers who might borrow under this bill will be worse off than farmers who borrow from other sources. I will give the reason why I say I think it will actually worsen their position. My contention is that the contents of this bill violate the purposes of the bill. We have heard it said that some members are dirt farmers, that some have had no farming experience. Speaking personally, I think I am in as good a position as anyone to speak on this bill.

Mr. Howe (Port Arthur): You do not need the bill then.

Mr. Quelch: No, I do not need the bill. I am not supporting or rejecting this bill on the basis of what I need, I am supporting or rejecting it on the basis of what I feel the people in the area I represent need. I have farmed for some 40 years. Let me state frankly that 75 per cent of that time I was short of capital. I have had lots of experience in borrowing from banks, so I know something about this situation. It is true that for the last 25 per cent of the time I probably did not need to, but for the first 75 per cent I did.

I homesteaded in the west in 1909. I did not have any capital, I did not have any money at all. I used to work in railway construction camps for a few months in the summer in order to get enough money to run my farm.

Mr. Hosking: You have done pretty well in this country under the Liberals.

Mr. Quelch: I have done fairly well in spite of the Liberals, you might say.

Mr. Hosking: There are a lot of people in the same boat from the sound of it.

Mr. Quelch: By 1914 I had just started to get on my feet, and then I was overseas for five years. When I came back I had to start all over again. Everything I had was worn out, my machinery was all worn out and the price of everything was sky high. I settled under the Soldier Settlement Act which was a pretty tough act, quite different from the present Veterans' Land Act. Within a few

years the value of my chattels had fallen to about half their original value. It was about 1929 before I again started to get on my feet.

In 1929 I was still farming with horses. I realized then, as did most farmers, that if I was going to make any real progress I would have to have a mechanized farm. I went to the bank and asked for a loan in order to buy a tractor. I was quite interested in the attitude taken by the bank manager. He had my financial statement and he told me I was in excellent shape, that in a short time I would be sitting on top of the world, but he then went on to give me some sound advice. He told me not to borrow any money with which to buy a tractor because within a short period of time we would be going into a depression.

That was in 1929. I have always wondered why a bank manager was able to tell me in 1929—it was not being publicized in the press—that we were going into a depression when credit would be restricted and therefore it would be unwise for me to buy a tractor. I continued along with my horses. Just two years later I went to the bank again, but I could not borrow a cent although my physical assets were exactly the same or a little bit better than in 1929. In 1929 I could have borrowed enough on my personal note to buy a tractor, but in 1931 I could not borrow a cent.

I might mention that they had changed the bank manager in the meantime. Any time they bring in a new policy of restricting loans they seem to change their managers, because it might embarrass a bank manager to refuse a loan to an old friend. I thought it very strange that with no change in physical assets I could not borrow any money.

We all remember the depression, and I am not going to deal with it. We got through it. I did not go under the Farmers' Creditors Arrangement Act because I did not like it, just as I do not like this bill. There were too many restrictions in it. However, we farmers got through the depression and then came some good times. I admit quite frankly that we have had some good times.

There are many farmers who realized that in order to produce efficiently they had to have an efficient unit. Professor Hope has defined an efficient unit as two sections of moderate land or one section of heavy land. The area which I represent is a good one, and many farmers thought it advisable to expand their land holdings and borrowed money with which to buy land. They borrowed money to buy farm machinery under the Farm Improvement Loans Act.

Those are the farmers who are in so much difficulty today. They are not new farmers, they are not young farmers, they are not small farmers; they are fairly large farmers. They have been farming quite a long time and have lots of experience. But they have incurred heavy liabilities which normally would be met from their sales of wheat. These are the farmers who are facing a great deal of difficulty.

Mr. Hosking: Do you think our eastern farmers should supply the money for the loans?

An hon. Member: Get up and make your own speech.

Mr. Hosking: I am. It is short and to the point, and I am not delaying the debate.

Mr. Quelch: You want to know whether I think the eastern farmer should be prepared to pay income tax for the purpose of helping to pay interest or to make loans available without interest? There need not be any interest involved, because the government could make advances to the farmers and get the money from its own institution, the Bank of Canada, without borrowing from the chartered banks. But it goes far beyond that. Even if it was costing some money I say that the western farmers are entitled to it because during the latter part of the war they subsidized the consumers of Canada to the tune of around $136 million. The same thing applies to other products of the farm.

Therefore a suggestion like that does not embarrass me at all. The hon. member talks about income tax. Let me remind him that the majority of the income taxes paid by farmers is paid by farmers in the west and not by farmers in the east. I suggest it would be a good idea if the Minister of National Revenue sent as many inspectors into that part of the country as to the west; then they would collect a little more money. The only reason they collect more income tax in the west is the fact that wheat is one of the main products and it is very easy for the Department of National Revenue to check on the farmers' incomes. In the east, where the farmers peddle their products in the local markets, there is no check at all, and I think many of them get away with murder.

Mr. Hosking: Is that the only reason your farmers are honest?

An hon. Member: Sell your gas.

Mr. Quelch: I am sorry the minister went away, though the parliamentary assistant is here, because I do not like to say anything specifically referring to the minister when he is out. I was just going to say that I have been puzzled at times during this debate over the fact that the minister seems to display

quite an ignorance of the true situation in regard to agriculture. However, that is perhaps only natural, because he is not a farmer and the problems are quite complex.

I believe he thinks he is stating the facts when he makes certain statements, but when I spoke the last time he made two or three interjections, and I was somewhat amazed at the questions he asked. I should have thought he must have known at that time that his questions did not really make sense, as for instance when he suggested that no large farmer had trouble getting money from the banks.

I have just explained why so many farmers are having trouble. It is because many of the big farmers have borrowed to expand their capital in the form of machinery, and have borrowed to expand their land holdings. They are large farmers, but they are heavily in debt. They may have 20,000 or 30,000 bushels of wheat on the farm but cannot sell it. If they could sell their wheat they would be able to meet their obligations. They cannot borrow money from the bank because they have gone as far as they can go in that direction. They are not interested in legislation like this. They are interested in being able to sell their wheat.

Right through this debate the minister has shown that he does not understand the situation as between the smaller farmer and the larger farmer. He jumped to the conclusion that the large farmer must be considerably better off than a small farmer. I agree that the size of the farm is a great factor, but there is another factor even greater, and that is the quality of the soil. You could have a three-section unit of marginal land which would not be nearly as good as a one-section unit in, for instance, gumbo land.

The constituency I represent is remarkable for the different types of soil it contains. On the western side of the constituency we have the gumbo plain, probably the best wheat country in Canada. I resided on the edge of that area. This legislation will be of little if any value to the farmers in that area. Whatever money they want to borrow, they can borrow from the banks. But they do not want to borrow today because, as I say, they do not like paying interest. They are already paying enough interest on their land holdings, machinery and so on. As they have the wheat, they feel they should be able to sell it and so pay off their obligations. If they want to borrow from the banks, they can borrow without this legislation.

Then we have the northern area of my constituency, around Stettler on the C.P.R. line. That is not such good land, but there is a greater rainfall there. I think the same thing applies to that area as to the western part of the constituency; it is a mixed farming area. Then you have an entirely different situation on the eastern side of the constituency. From Hanna east is what used to be known as the drought area of Alberta. This is where irrigation would be put in if the Red Deer diversion scheme were proceeded with. The government has been talking about that and making surveys for it since 1922, but the only time there is any real activity is just before an election, and I suppose next June there will be a great deal of activity there again. The farmers are still hopeful, however, that some day that program will be put into effect.

That is a dry area. Back in the years around 1919 or 1920 most of that land was sold for tax arrears. Most of the farmers got hopelessly into debt and the land was put up for sale. The mortgage companies did not consider the land worth sufficient to pay the reserve bid and so the land reverted to the provincial government. The provincial government realized that no farmer could make a living in that area on a half-section unit. Most of the land was taken back, and then any farmer who had a quarter or half section in that area was allowed to lease from the government about 2,000 acres. The units in that area are about 2,000 acres per farmer. They had to own one-quarter sections.

Just because a farm is large it does not mean that the farmer is in a position where he can borrow all the money he needs. As a matter of fact, the farmers in that area—all those big farmers—until recently, at least, were never able to go to the banks and borrow much money. Indeed, that area was blacklisted, and the farm loan board refused to make loans in that area. I have received many protests and have taken them up with the farm loan board, which has insisted it has not blacklisted the area but has judged each application on its merits and found the situation does not warrant making loans in that area.

However, in the past four or five years we have had heavy rains in that area and, generally speaking, there have been good crops for the past five years and these farmers are getting on their feet. Four or five years ago the average yield in that area was only six or seven bushels to the acre. During the last few years it has been about 16 or 17 bushels to the acre.

I want to relate that situation to this bill, because there you have large farms with fair yields of wheat, about 16 bushels to the acre. Take a farmer in that area getting a loan under this proposal. I do not say he would

not get a loan. He might get a loan of $1,500. What is the situation in which he finds himself if he takes a loan under this bill? We shall say, for example, that a two-bushel quota is put into effect and that the farmer has six or seven hundred acres of cultivated land, which would be a very moderate holding in that area. Many of the units are 2,000 acres, because it is considered necessary for a farmer to have that amount of land to make a living. At one time a farmer there was allowed to carry only three head of livestock on a quarter section, but that has been changed a little owing to the rains in recent years.

When a two-bushel quota is put into effect, that farmer takes a load of wheat to the elevator agent and asks what grade he can get. Probably there will be a dispute between him and the elevator agent, and the agent may say it is 4 while the farmer will say, "It is a good 3, and I am not going to take 4." What can the farmer do in a case like that, unless he is prepared to sell it for what the agent says he will pay? He will have to put that wheat into storage and a sample will be sent to the head office. Then the grade is sent back, and he is paid on that grade.

However, under this act he is not allowed to put that wheat into storage. Therefore, any farmer who has borrowed under this legislation, and who in order to get a fair grade tries to put his wheat into storage until such time as a grade has been arranged, puts the elevator agent in the position where he can be prosecuted if he allows the grain to be stored.

Mr. Howe (Port Arthur): Mr. Speaker, I should like to say, if I may, that the department has taken cognizance of that fact and an amendment will be offered if and when we get the bill into committee which will make it possible to put grain in storage. In the 1951 legislation there was a reason for that provision but in this legislation there is no similar reason and that restriction will be removed.

Mr. Quelch: I am certainly glad to hear that, because that was one of my very strong objections to the bill. Then there is another objection. The minister will probably say this one is not quite so well founded. He will probably say the provision is necessary, but I can tell the minister that it is going to be bitterly resented.

Take two farmers who are living side by side. I am speaking from experience in this case; it is something that has happened many times. Two farmers are living side by side and one is hailed out 100 per cent. What happens in a case like that? If his neighbour has a good crop the practice in the past has often been for the farmer with the good crop to lend his neighbour who has been hailed out maybe a thousand bushels of oats, barley or wheat. I have done it myself, and I have had grain lent me.

The farmer who gets the grain and has no money can deliver the wheat on his own quota and sell it. Sometimes he makes a dicker with the farmer from whom he got the wheat and pays some of the money to him. If any farmer does that under this legislation he can be fined $500 and, if the hon. member for Prince Albert is right, he can land in jail. If the farmers find that out they will be hopping mad, because it is very often the only way they can help themselves. I think the minister will agree that is a fine co-operative spirit, and nothing in this legislation should allow that fine co-operative spirit to be destroyed. The farmers help themselves. I do not believe that anywhere in Canada you will find a better co-operative spirit that you will find amongst the farmers of the west. If one gets in bad shape his neighbours help him out if they can.

Mr. Howe (Port Arthur): May I ask a question? What would happen if that co-operative spirit extended to the transferring of all the grain from one farmer to the other?

Mr. Quelch: Well, the minister sees one ship and he talks about a fleet. I am not suggesting that at all. Remember that the farmer can only get a loan of up to 50 per cent of the amount of wheat. The minister knows that in many cases the farmer will have far more than the amount of wheat needed to cover the loan. Therefore it should be possible in a case like that for the farmer to transfer some of that wheat to a neighbour if he so desires.

Under the legislation he pledges so much of that wheat. He tells the bank manager how much wheat he can deliver and the price he expects to get, but so long as he states a certain amount of wheat and a price and the bank manager agrees to that, then any wheat the farmer holds in excess of that amount should be his property to do what he likes with. If he wants to lend a thousand bushels to his neighbour who has been hailed out there should not be any danger of that man being prosecuted or thrown in jail. At least the legislation should be wide enough to allow a certain amount of discretion so that the farmer can discuss the matter with the bank or with the wheat board and get permission for that transaction.

The minister knows that the situation today is difficult. We will not talk about who is to blame for the situation, but we are faced with

a situation today and it is a difficult one. Therefore anything the farmers can do among themselves to try to relieve the situation, to try to relieve the pressure, is something the minister should be glad to help them to do. I hope the minister can say the same thing about that provision as he said about the other one, that an amendment will be moved to modify its operation.

Mr. Howe (Port Arthur): May I say that if my hon. friend will draw up the amendment the government will consider it.

Mr. Quelch: I hope I have said enough to the minister to make him realize there are certain features of the bill that the farm organizations should be allowed to discuss. Therefore I again ask the minister to reconsider his decision not to allow the bill to go before the standing committee on agriculture. Let the bill go before the committee and call representatives from the farm organization. If they are able to make worth-while suggestions to the government and the government is prepared to accept those recommendations we may then have a bill that we will be able to support in the house. If the minister will pledge himself to send the bill to the agriculture committee after second reading, even now we will support second reading and vote against the amendment; but if the minister is going to stand by the statement made by the Minister of Finance (Mr. Harris) that the bill will not be sent to that committee, then we will be obliged to support the motion of the C.C.F. for the six months' hoist.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I do not intend to detain the house very long. The only reason I am speaking is that something was said last night by the hon. member for Regina City (Mr. Ellis) to which I wish to refer. As found at page 1268 of *Hansard* he said:

> While we are on this point, Mr. Speaker, may I say this. I just wonder what organizations at the Saskatoon conference had wanted to take bank loans. I wonder whether the hon. member for Rosthern could inform hon. members of the house what organizations at that conference asked for bank loans. Was it the wheat pool? Was it the Saskatchewan farmers' union? The hon. member for Rosthern is not able to name one Saskatchewan farm organization which at that conference came out for bank loans.

I had said that organizations at that conference had suggested bank loans and that legislation like that of 1951 was the solution to this temporary difficulty. Apparently that was not believed by some hon. members opposite. Therefore I obtained the record of that meeting as kept by the secretary, and I looked over the record. I have thereby refreshed my memory on the matter, and I am going to give the stand taken by some of the people representing organizations at that conference. Anyone who wants to check this can see the record in the hands of Mrs. Norman because as the conference went on she kept notes of what everybody said.

When this matter came before the conference on the afternoon of September 27, 1955, one of the first speakers was Mr. Wesson, who first of all dealt with the statistical position and gave various statistics. This is Mrs. Norman's record of what he said:

> The shortage of cash was the problem. Wheat pool opposes advances of wheat board through elevators. Propose we ask federal government through parliament pass the same act as in 1951, advance through banks and guaranteed by federal government. Bank advance loans on the basis of the security of grain stored on the farm. Don't believe it should be interest free but some arrangement made by government through Bank of Canada making available to farmers at between 2½ per cent and 3 per cent. This he felt would help to solve the immediate situation of farmers to help pay for urgent pressing financial bills.

At that point the conference recessed. I wonder what those members have to say who sneered and jeered and said that nobody had suggested bank loans, that everybody there was in favour of advance payments by the wheat board. Then I come to Mr. Schulz, the chairman of the interprovincial farmers' union and his attitude to the suggestion of Mr. Wesson, the president of the Saskatchewan wheat pool. This again is Mrs. Norman's record:

> Mr. Schulz continued debate on Mr. Wesson's proposal. He stated he was in favour of Mr. Wesson's proposal but suggested that the government should absorb all interest.
>
> Mr. Forsythe of Alberta chamber of commerce observed that about 20 per cent of Alberta machinery was sold through finance companies. His organization was proposing farm loans of long term and interest no higher than bank loans to their provincial government.
>
> Mr. Barber of the Winnipeg labour council stated his council had passed a motion requesting that farm loans be advanced to farmers interest free.

Then my friends across the way stated that there was never any suggestion of farm loans.

> Mr. Forrest of retail merchants association expressed the opinion that this was a recurring problem in recent years. Suggested that advances of half the value of the grain be advanced so that banks are repaid on a bushel basis as deliveries are made rather than in a lump sum. Felt there should be a concession in the interest rate as well.
>
> Mr. Hansen submitted a table outlining the average purchasing power of wheat over a series of years. He felt also that other alternatives should be explored. Any plan considered should also be considered in light of practicability in future years.
>
> Mr. Appleby—

He used to be president of the farmers' union.

—felt there must be supervision on when bank loans are repayable which he felt should not be left to the discretion of the banker.

Mr. McFarlane of United Grain Growers outlined a plan of cash advances designed to be handled on the quota books through banks up to 50 per cent of grain he has on hand at a rate of 4 per cent interest.

The Manitoba government through their minister of agriculture indicated as follows:

Both plans suggested by Mr. Wesson and Mr. McFarlane would meet their approval . . . Interest rates he believed should be lower than in past.

Mr. Douglas of the Saskatchewan teachers association felt that bank loans might prove unpopular. He suggested advances to farmers through elevators. He thought there should be an interest rate of 3 or 4 per cent to discourage borrowing by farmers who weren't really in need.

There is there a reference to loans repayable with interest. Yet we were told that loans were never suggested.

Mr. Studer: Socialist political acrobats.

Mr. Tucker: Then here is something which was said by Mr. Nollet, the provincial minister of agriculture in Saskatchewan:

If the Bank of Canada was able to loan money to banks to loan to farmers, it should also be able to loan money to the Canadian wheat board for loan to farmers.

We were told by the C.C.F. there never was any thought at the conference of loaning money to farmers.

Mr. Zaplitny: May I ask the hon. member a question?

Mr. Ellis: Do it through the wheat board, not through the banks?

Mr. Tucker: I suggest that I be permitted to make my statement. Then the hon. member can ask questions afterwards if he wishes to do so. I continue:

Mr. Brownlee . . . expressed the opinion that other problems in grain marketing must be considered. Looking upon the problem as an emergency, supplemental to bank loans municipalities must be engaged on a basis whereby they can advance money to farmers on the backing of government loans. This would spare the small farmer from being left without recourse if bank loans were refused and would be convenient to those farmers who live great distances from banks.

In other words, he said that it is quite all right to pass the legislation but this further provision should be passed supplemental to it.

Later:

. . . Mr. Brownlee stressed the need that advances must be placed on a business basis and not as a charity.

Later:

Mr. Hogg suggested that the resolutions committee consider the following resolution:

"Move we request advances on grain up to 50 per cent stored on farms and loaned through banks guaranteed by the dominion government at low rates of interest."

This was a resolution put before that conference.

Mr. Ellis: It was not passed.

Mr. Tucker: A resolutions committee was set up to bring in a resolution. They brought in a resolution. There was an amendment moved to it. According to the notes the motion was as follows:

(In favour of principle of advances being made and made immediately)

Wesson—50 per cent of wheat.

Appleby—75 per cent of initial payment.

That is, Mr. Wesson thought it should be 50 per cent of the wheat and Mr. Appleby thought it should be 75 per cent of the initial payment. Mr. Brownlee thought it should be a flat maximum rather than "up to half".

Mr. Knight: Mr. Speaker, may I ask what was the motion, just for information.

Mr. Tucker: I will give it to you in a minute. Then on the question of the dominion-provincial conference:

That this be presented to three prairie governments at once and they take it to Ottawa.

The question was whether it would be through the banks, through the wheat board or have the government set up a fund and administering it through a body, perhaps the municipalities. That is from Mr. Brownlee's remarks. An amendment to the amendment was moved by Mr. Schulz, seconded by Mr. Waldbauer:

Advance payments without interest when this is an emergency.

The amendment was that they delete:

—at a normal rate of interest not to exceed 3 per cent—

This was to the resolution as brought in by the resolutions committee. That rather sounds as though they were talking about loans. As this resolution committee brought in the recommendation for the resolution it contained these words:

At a normal rate of interest not to exceed 3 per cent.

The amendment was moved that these words be struck out and the amendment to the amendment was that the words "interest free" be substituted. That amendment to the amendment was defeated, that it was to be interest free. Then the amendment was carried that they strike out the reference to interest. Then the resolution which was brought in and has been cited in the house was passed. I just wanted to lay that before

the house so the house can judge who was telling the truth about that Saskatoon conference.

Mr. Zaplitny: I wonder whether the hon. member for Rosthern, before he takes his seat, would answer the question I was going to ask and which he did not allow me to ask when he was speaking. The question I wanted to ask is this. Is what he has referred to a stenographic record of what went on at that conference or is it signed by the chairman of the conference?

Mr. Tucker: At the outset, Mr. Speaker, I said that I had a vivid recollection of what took place at that conference.

An hon. Member: So have I.

Mr. Tucker: That resolution was questioned; some hon. members here said they were there and that they knew what took place, that there was no question of loans, nobody had said anything about loans and so on. I therefore asked the secretary appointed by that conference, and who I saw was making notes of what was said, if she would make those notes available to me. What I have given to the house are excerpts from those notes which she made as people spoke.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, it had not been my intention to speak on this occasion, but the two speeches that have been made from the opposite corner of the house—I refer to the one we have just heard and the previous one by the hon. member for Iles-de-la-Madeleine (Mr. Cannon)—make it necessary for me to say a few words. First of all, referring to the document from which the hon. member for Rosthern has just quoted, may I say that it is quite obvious that what he is quoting from is a set of notes made by one person at the conference. It is not a stenographic record. I asked him whether it was signed by the chairman of the conference. He did not answer that question, so I assume it was not signed by the chairman. We can therefore accept it only as being the opinion of the person who made those notes as to what transpired there.

Some hon. Members: No, no.

Mr. Zaplitny: I suggest that the hon. member certainly cannot rest his case on a set of notes drawn up by someone who is expressing from memory what transpired at this conference.

Mr. Tucker: Just to correct my hon. friend, may I say this. This person whose notes I cited was duly elected secretary of that conference and made the notes at the time of the conference.

[Mr. Tucker.]

Mr. Zaplitny: I am not disputing for a moment that the person referred to was elected as secretary for that conference. I am pointing out, however, that this is not a stenographic record of what took place. My friend the hon. member for Rosthern is in the legal profession, and he knows that if he attempted to present evidence which was contained in a set of notes which he could not identify and which he could not prove as being correct, he would not get very far.

Mr. Dickey: He has identified them.

Mr. Zaplitny: He has identified the person who made the notes. But everyone knows that if he is going to use a document and assert it to be a correct record of what took place, that document should be signed by the chairman of the conference. That has not been done. It is therefore not a document which represents what went on at the conference.

Mr. Dickey: He was present.

Mr. Zaplitny: I was present also.

Mr. Wylie: Many others were present also.

Mr. Knight: I would accept his notes if he would read the rest of them.

Mr. Studer: May I ask the hon. member a question? Where are the records signed by the secretary and chairman of this meeting, as stipulated by themselves for the last week?

Mr. Zaplitny: I am very glad to have that question—

Mr. Dickey: He cannot face the facts.

Mr. Zaplitny: —particularly from the hon. member who is so voluble. The only resolutions I placed on the record in this debate were taken directly from the records of the conventions at which those resolutions were passed. They were authentic records signed by the secretary of the organization, which is altogether different from what the hon. member for Rosthern put forward.

Mr. Tucker: On a question of privilege, Mr. Speaker, the resolutions which have been used in regard to that conference are signed by Mrs. Bernice Norman, secretary of the interprovincial farm union council, and were not signed by the president.

Mr. Zaplitny: It is quite characteristic—

Mr. Martin: This will stop the filibuster.

Mr. Zaplitny: It is quite characteristic of the hon. member for Rosthern to begin talking about something different. I was talking about the notes he used and he is trying to bring in the resolutions; that was not the

subject under discussion. The subject was these notes he used which are not signed by the chairman of the conference and are not a stenographic record of the conference; that is all I am saying. So far as the resolutions are concerned, no one is disputing the resolutions or the wording of them. I say he should rest his case, if he has one at all, on the resolutions themselves and not on what one person at the conference set down in her notes as her interpretation of what she heard.

Mr. Dickey: Pretty weak.

Mr. Zaplitny: If these hon. gentlemen want to chip in every few minutes with interruptions while I am speaking, I may tell them there is still plenty of time left for them to speak.

As I said at the outset, I rose to comment particularly on the contribution that the hon. member for Iles-de-la-Madeleine made to this debate. During his speech he made a couple of rather astounding statements. He asked the question, and he repeated it later when he interrupted the hon. member for Acadia, why should the farmers be paid for what they have produced and what has not yet been sold? That question in itself indicates a lack of understanding of this whole issue. I hope the hon. member is not speaking on behalf of the farmers of eastern Canada. Certainly if he is, he is doing a tremendous amount of harm to their cause.

In the first place no one in this house has asked that the grain producers generally be paid for all their production. The farmers themselves have not asked for that. They have asked for an advance of approximately half of what they expect normally to deliver, and that is a long way from what they have produced, as the figures are there to prove. The question indicates the hon. member does not understand the permit book. He does not understand the quota system. He does not understand that farmers are not asking, nor are the representatives of the farmers, that they be paid cash for all the grain they have produced, even though that is what is being done in the United States. We have heard time and again from the members on the other side that the farmers in Canada are being very well treated in comparison with the farmers in other countries. But if the government applied the same method that is being applied in the United States, then they would pay the farmer for all his production and in addition to that would pay him for storing the grain on his farm.

All the farmers are asking, and all we in this group are asking, is a long way from that. We are asking that they be given the opportunity to obtain an advance on a portion of the quota that they are able to deliver under the present set-up. That is an entirely different thing from the interpretation the hon. member gave to it. But let us follow that a step further. If this parliament were to accept, heaven forbid, the philosophy that farmers should not be paid for what they have produced until it is sold, where does that leave our whole Agricultural Prices Support Act? Where does it leave the support price under butter and the support price under eggs? Where does it leave all these support prices which have been accepted as part and parcel of the agriculture policy? If the government, in a moment of weakness, were to give in to the advice of the hon. member for Iles-de-la-Madeleine it would mean the complete destruction of the Agricultural Prices Support Act. He is doing a distinct disservice to every dairy producer, every producer of eggs, not only in western Canada but in his own constituency. I think on reflection the hon. member would want to withdraw that statement and apologize for having made it.

He goes on to say that this bill is a privilege. He wonders why the farmers are dissatisfied with the present bill because it is a privilege. This privilege is an opportunity for the farmer to go further into debt, an opportunity to pay interest on money that is properly coming to him. I am not at liberty to refer to the clauses in the bill, but it is well known that one of the privileges in it is that if a farmer should happen to misunderstand one of the multifarious forms that have been drawn up, forms that were drawn up before this bill has passed, he can be fined $500. In addition to that penalty he would have to pay the amount of money still owing on his loan. I suppose that in default of paying his fine he could be imprisoned; that is the kind of privilege that is being offered under this bill.

Mr. Hosking: We could discuss the clauses of the bill in committee.

Mr. Zaplitny: I hear some chirping from the hon. member again, and perhaps if he would stand up and ask his question I could answer it.

Mr. Hosking: I was just suggesting that we could discuss the clauses of the bill when we are in committee.

Mr. Zaplitny: I was discussing the motion that is before the house, and if the hon. member had done the same thing when he was on his feet he would not be getting into difficulty. He made a few remarks, too. He said, "My farmers are objecting to the payment of interest on advances to grain producers". Now, there is an indication of the

kind of ideology that exists in the minds of some Liberal members. He refers to "my farmers". Is that not a return to the feudal system? He speaks of his farmers. He has become the great white father of his constituency. Out west we take a rather different attitude, regardless of party. We feel we are the representatives of the people, not the owners of the people in our constituency. Here this hon. member stands up and says "my farmers object".

If we may follow that one step further, I wonder if he is doing a service to the farmers of eastern Canada by taking that attitude or—

Mr. Hosking: I am just stating what they think.

Mr. Zaplitny: —by proclaiming that his farmers are objecting to paying any interest that might be involved in this transaction if cash advances were being made. Let me remind him that we also represent farmers. I have no doubt I represent a good many more farmers than he does. The farmers in my constituency and in the prairie provinces have been helping to pay freight assistance on feed grain coming to his farmers and the farmers in other constituencies for a period of 12 years.

Mr. Hosking: Are you suggesting that that be dropped?

Mr. Zaplitny: This has amounted to over $100 million. We are not objecting to it. We have been glad to give a helping hand.

Mr. Hosking: Because you get the benefit, too.

Mr. Lesage: It helps the western farmer, too.

Mr. Zaplitny: I do not mind one at a time, but I think it gets confusing when we have more than that. We have never objected in this house to this freight assistance being paid because we felt it was part of the agriculture policy—

Mr. Hosking: Because it helps yourself.

Mr. Zaplitny: —and because it is for the good of the nation as a whole. But there are those from eastern Canada who—

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

Mr. Zaplitny: Yes.

Mr. Lesage: Does the hon. member think the freight subsidy on feed grain coming from the west to the east does not help the western farmer also?

Mr. Zaplitny: That is not the question.

Some hon. Members: Oh, oh.

[Mr. Zaplitny.]

Mr. Zaplitny: At no time have I or any member of this group claimed that it does not help the western farmer. If it is of any assistance in the selling of feed grain then, of course, to that extent it is of some assistance to agriculture generally. But the point is, it is a direct subsidy to those who feed that grain in eastern Canada. Yet there are hon. members from eastern Canada who rise in their places and—I have no doubt without consulting the farmers at all—they take the stand that they are their farmers and they speak for them without consulting their opinions at all. They say that their farmers are objecting to something that may be of advantage to the grain producers who are willing to pay their share of freight assistance to ship the feed grain to eastern Canada.

All we are asking is that the members from eastern Canada take a fair and reasonable stand on this question. I think if they would only stop to think they would realize that in many ways the people of western Canada have been instrumental ever since confederation in subsidizing to a very great extent the people of eastern Canada in the form of tariff duties, for example. Every day that goes by hundreds of thousands of dollars are paid out by the people of western Canada to help to protect industry in eastern Canada. If they would stop to think of that I am sure they would take a little more reasonable attitude than they are taking on this question.

However, the question that is before us is whether this bill should be read a second time. We have stated, I believe in clear and unmistakable terms, that we are not prepared to support the bill on second reading. The other opposition parties have also indicated now that they will not accept the bill on second reading. We are basing our stand not only on what is contained in the bill, bad as it is, but also on the opinions as they were expressed in convention by the major farm organizations in western Canada.

Regardless of what the hon. member for Rosthern may say, regardless of how he tries to twist around what happened at the Saskatoon conference, regardless of what other members of the Liberal party may try to say, if they were to go out to western Canada today and test public opinion on this question I am sure they would come back quite convinced that this bill is not the answer to the problem. What is more, they would come back convinced that they are making a major mistake by assuming that just because at one time or another one, two or three of the leaders of some of the farm organizations made certain statements which make it appear as though they are supporting the bank loans, they were in fact speaking for the farmers

of that organization, because subsequent events proved that that was not so.

If the government feel so stubborn about this question, if they feel so sure of their position, I for one am prepared to let them test public opinion on this issue. Let them call an election tomorrow and actually find out the feelings of western Canada on this question.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, it is obvious from the nature of the discussion taking place on this bill today that we are dealing with a very complex problem that has a very serious impact on the general economy of Canada, and more particularly on the whole economy of the prairies. I am taking advantage of the amendment moved by the hon. member for Mackenzie (Mr. Nicholson) to lend my support to the suggestion that this particular piece of legislation be given the six months' hoist. I do so because I have considered the matter quite seriously as it would affect my own area, and I can quite readily come to the conclusion that nothing would be lost, so far as assisting the critical cash shortage among the farm population of my particular constituency is concerned if this legislation is never passed.

The last time I contributed to the discussion I emphasized why the bill is not wanted by the farmers of my area, and why if passed it will do nothing to solve the basic problem. The hon. member for Rosthern has been recapitulating certain arguments that have been made in the house. I would like to suggest, in refutation, an up to date point of view representing a cross section of the prairie farm population, a point of view, as a matter of fact, which was expressed to the government no later than yesterday, February 16. The interprovincial farm union council delegation appeared before the government at that time, as they have appeared before other groups in this house, and repeated in no uncertain terms, verbally as well as in their written statement, that they favour the cash advance principle rather than the legislation that we have before us today.

We have had contributions from members from other parts of the country as well as from western Canada. As I have listened to the contributions from members from eastern Canada, I have been amazed. Some of those contributions have been formal speeches; others have been interjections. I have been amazed, Mr. Speaker, at the lack of understanding of the difficulty with which the farm population, the wheat grower especially, is faced at the moment. I refer particularly to the interjection of the hon. member for the Iles-de-la-Madeleine and others who interjected, who feel that the legislation before us is in the form of a subsidy to the grain growers on the prairies.

I endeavoured to point out the other day that at no time has the prairie farmer ever been subsidized by any part of the Canadian economy. There is the misunderstanding that the operations of the Canadian wheat board involve a form of subsidy. But, as I emphasized the other day—and I repeat it this afternoon because the point does not seem to have penetrated—the farmer has paid out of the returns received from the marketing operations of the wheat board for every penny that he received. He has never been subsidized by the federal treasury. And of course the bill we have before us places him in the same independent position.

The point we are making is that the principle enunciated in the bill does not begin to meet the situation in which the farmer finds himself at the moment. It would seem that not only is there failure on the part of members from other sections of Canada who have intervened in the debate to understand the nature of the problem, but it would appear that the administration itself, the ministers most concerned, also fail to appreciate fully the nature of the problem.

I am going to deal with only one phrase in the bill which tends to emphasize the point I have just made. The bill refers to the cash shortage problem as a temporary financial difficulty. One reason I have opposed the legislation is that I feel this is not a temporary situation. If it were a temporary and passing situation no doubt the piece of legislation we have before us today would suffice, but it becomes increasingly obvious with the passing of time that the farmer himself regards the bill as quite ineffective to meet the problem. Certainly the fact that the government have described the bill as meeting a temporary situation indicates that they are almost completely unaware of the real nature of the problem.

Actually there has always been a shortage of cash among the farmers of western Canada. Until 1930 the farmers there operated largely under a subsistence economy. They did not have much to do with the exchange of money in any shape or form. They were suspicious of banks and the whole monetary scheme of things. I think this fact is dramatically demonstrated in the new forms of political expression which have emerged in western Canada. All of them have had as a basic part of their ideology some emphasis on the suspicious attitude toward the existing financial system. Farmers had got themselves into a situation of debt during the thirties, and that only increased their anxiety.

Grain

More recently because of changing circumstances the farmer has been moving toward a cash economy. Whereas he had been able to get along reasonably successfully on a subsistence basis, living as far as possible from the production of his own farm, today he is dependent upon money whether he likes it or not. He must have ready cash in order to meet current operations of his farming business. This is not a new situation, it is merely something which has come to a head because of the rapidly changing circumstances since the war, particularly in the past three or four years. It seems obvious that the government has failed to appreciate the nature of this problem.

One reason the situation has become critical from the standpoint of the Canadian farmer is the changing agricultural situation in our neighbour to the south. If we fully appreciated the change in the production and marketing of wheat we would readily come to the conclusion that we are faced with more than a temporary financial situation. Statistics are available so that he who runs may read. For example, we see that today the United States is producing annually more than 1,000 million bushels of wheat, whereas before the war it produced on the average some 700 million bushels of wheat. We must appreciate the difficulty facing the Canadian wheat economy because of that changed situation.

The consumption of wheat remains pretty well static. It is a well known fact that the demand for wheat remains practically stationary regardless of the level of production. When there is an increased level of production the demand remains almost static. The total world demand for wheat has grown very slightly in relation to the total increase in world population. Domestic consumption in the United States has remained fairly static; therefore they have had to turn to the export market. Ever since the Canadian west was settled the export market traditionally has been largely taken care of by the wheat producers of the Canadian prairies. During the 10-year period 1930-39 the United States producers exported 59·9 million bushels, whereas for the comparative 10-year period 1946-55 they exported 309·3 million bushels. Such an increase would tend to suggest that somebody is going to suffer in the markets of the world and unfortunately that somebody has been the western Canada wheat producer.

It is equally obvious that the United States is going to remain a sharp competitor of the prairie grain producer, so that the cash shortage referred to as a temporary financial shortage is not going to decrease within the foreseeable future. Actually Canadian exports have decreased proportionately in the past three years. We maintained our position fairly well up until the end of the war in Korea, but since that time Canada has been occupying a declining position in the export markets of the world. That problem has been intensified by the fact that there has been no real positive action on the part of the government to improve our exports.

An hon. Member: Time.

An hon. Member: You made it.

Mr. Speaker: As hon. members know, according to standing order 28 a member should address himself to the Chair. On reading the record it might appear that that expression was addressed to me, that I should make this announcement at this time.

An hon. Member: I withdraw.

Mr. Speaker: I am glad the hon. member does say that. That is why I interrupt hon. members who interject in the second person, whereas they should do so in the third person.

PRIVATE BILLS

Mr. Speaker: There are several divorce bills. Shall I take them one by one?

Mr. Knowles: Yes; would you call them one by one?

GEORGE FRANCIS ALFRED YULL

Mr. E. T. Applewhaite (Skeena, for Mr. Hunter) moved the second reading of Bill No. 11, for the relief of George Francis Alfred Yull.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, although this is the 29th day of the session, this is the first opportunity members have had to discuss the divorce bills which are before us, and I should like to say a few words on this particular case.

I would draw attention to the fact that we have only 60 minutes to discuss the 90 cases which are before us, and it would not be possible to give these bills the careful consideration Their Honours the senators did, but I have been interested in noting that several of the new senators have been working most carefully on these assignments, and on this one in particular. I notice that Senator Croll, in the first case that came before him, asked:

Q. Now at this stage you have said that three months after you were married your troubles started?

A. Yes, sir.

Q. How long did you know your wife before you were married?

There was a real attempt by His Honour the senator to try to find out what had gone wrong in this particular case. Another point I should like to mention is that we still find contradictions in the evidence given by these paid detectives. I would suggest to Their Honours in the other place, and to the committee that will be reviewing these cases, that careful consideration be given to the hired detectives who come here. One of these detectives reported that he and the other gentleman went to a particular place at a very unreasonable hour. One swore that the door was open without any question, and the other swore that before the door was opened the question was asked as to who was there and he replied that the clerk was there. I think it is significant that a detective giving evidence is prepared to admit—

Mr. Knowles: Not the Clerk of the house.

Mr. Nicholson: No, not the Clerk of the house. It was the clerk of the hotel in question. It seems strange that a detective who admits having given false evidence is able to give evidence in connection with a case of this sort and it is accepted. Senator Croll, naturally, considering it was his first case, was not quite familiar with the procedure. At page 14 of the evidence he is recorded as saying, after hearing the detective:

All we have at the moment is that two people were found in the room.

Her Honour Senator Hodges came to his assistance by pointing out:

We usually have a description of the room.

That was placed on the record. Senator Croll inquired:

Q. What day of the week was the 17th March?
A. A Thursday, sir.

I do not know what that had to do with it, but that was the evidence. I do not think we should call for a recorded vote on this particular bill, but I did want to make those few comments.

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

Mr. Knowles: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bill read the second time.

JOYCE ETHEL JAQUES HORGAN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 12, for the relief of Joyce Ethel Jaques Horgan.

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

Mr. Knowles: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bill read the second time.

JEAN THOMSON DUQUETTE

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 13, for the relief of Jean Thomson Duquette.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say just a few words with respect to this bill. I draw attention in particular to the fact that the chairman of the committee, Senator Roebuck, found it necessary to express dissatisfaction on one or two points. In particular he expressed dissatisfaction with the investigator in this case, who is one whose name appears many times in these records of divorce proceedings. On page 10 of the record of this particular case the chairman, Senator Roebuck, said this:

It is not fair to a respondent. We have a lot of these cases like this today, and it is getting worse. There was a time when the pleadings did give some particulars, but now they are coming here with just practically none.

A little later in the handling of the same case, Senator Roebuck as chairman of the committee said this, as recorded on page 12:

As to whether the evidence is sufficient we will discuss that afterwards. I am not satisfied. This is a professional investigator—

His name is Ernest Gordon Etheridge.

—and he did not go as far as he could have gone in giving us the best evidence that was available on that occasion. I say this now because we have heard these cases, and this investigator comes before us frequently. He ought to have gone on and found out from that man—got admissions from him as to who this woman was, and in his presence should have asked the woman who she was.

If my memory serves me correctly, the senators have had occasion to reprimand this same investigator on previous occasions, and here he is again coming before Their Honours with pleadings and with evidence which Senator Roebuck says are not satisfactory. It seems to me that Their Honours deserve credit for trying to get these investigators to take more care with respect to these matters; but it also seems to me, after reading a case like like this, that we in this house simply are not competent to decide whether or not this particular divorce should be granted.

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

Mr. Knowles: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division and bill read the second time.

Private Bills—Divorce

ROSA STRAUB GEHLSEN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 14, for the relief of Rosa Straub Gehlsen.

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

Mr. Knowles: On division.

Mr. Speaker: Carried on division.

Mr. Harris: Mr. Speaker, I quite appreciate the points being made by my hon. friends. We have on former occasions, however, asked them to grant us their indulgence by indicating those bills on which they do not intend to speak. If they are prepared to do that now, we can put them through in one motion and then call the ones on which they intend to speak. I ask that only in the interests of the normal dispatch of business in the house, and not by way of criticism of the action being taken.

Mr. Knowles: Mr. Speaker, I know some of the bills on which I intend to speak, but I do not know what bills my colleagues intend to speak on. I think we might go on and call them in the present way, one at a time.

Motion agreed to on division and bill read the second time.

CECILE BEZEAU BARNABE

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 15, for the relief of Cecile Bezeau Barnabe.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

DORA GINA COSTELLO DASH

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 16, for the relief of Dora Gina Costello Dash.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a brief word about this case. First of all, since we so often draw attention to the cases in which paid investigators or professional detectives are used as witnesses, I should be fair and point out that in this case no detectives or investigators were employed. The witnesses who appeared on behalf of the plaintiff seemed to be people who had never appeared before in a case such as this. But after reading this case I am also impressed with the tragedy of the situation. I note in particular that there are two children, one 8 years of age and one 3 years of age.

Having read this case, it does seem to me it is the type of case where some other recourse might have been had, where counselling of some kind might have been effective. Because of that I feel unhappy about parliament granting this divorce in the very easy manner in which it seems to go through, particularly through this House of Commons.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

FERNAND DESMARAIS

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 17, for the relief of Fernand Desmarais.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

ELSIE ABBOTT MARSDEN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 18, for the relief of Elsie Abbott Marsden.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

FREDA ETHELWINNE HENDERS JACOBSON

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 19, for the relief of Freda Ethelwinne Henders Jacobson.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

HAZEL LORETTA NOSEWORTHY JOHNSTON

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 20, for the relief of Hazel Loretta Noseworthy Johnston.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, this is a rather unusual bill. In the

petition it is stated that the petitioner resides in the town of North Sydney, but when the case came before the subcommittee on January 17 it appeared that the petitioner resided in Montreal. The evidence does not make it quite clear how it is that in the one place it is stated that she resides in North Sydney and in the other place in Montreal. My learned friend the hon. member for Winnipeg North Centre informs me that while this couple, when they were married and after they were married, resided in North Sydney, because the husband deserted and returned to Montreal his wife automatically became domiciled in the province of Quebec. This unfortunate woman has a tragic story as told in the Senate, and is put to the expense of coming to Ottawa to present her case.

There is another unusual feature in this case. The co-respondent appeared and gave evidence. It is obvious that this family has been broken and of course the customary questions were asked and answered with respect to whether or not there was any collusion. I think this is the first case of this particular type which I happen to have noticed this year, where the co-respondent has come before the committee, admitted the charges and a divorce has been granted.

When this case comes before the house committee I think there should be some discussion with respect to the information given in the petition as to the residence of this woman and the information given in the minutes of the subcommittee of January 14 setting forth that the woman is domiciled in the province of Quebec. The question should be cleared up whether a woman who has always lived in Nova Scotia and is deserted by her husband who goes to the province of Quebec should be put to the expense of coming to Ottawa to seek a divorce.

Mr. Speaker: Is it the pleasure of the house to adopt the motion.

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

VERONICA IRIS COLLIER HORVATH

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 21, for the relief of Veronica Iris Collier Horvath.

Mr. Speaker: Is the motion agreed to?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

MARIA ROMANO BOVE

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 22, for the relief of Maria Romano Bove.

Mr. Speaker: Is the motion agreed to?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

NORA MARIAN TILLEY MCBAIN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 23, for the relief of Nora Marian Tilley McBain.

Mr. Speaker: Is the motion agreed to?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

MARGUERITE TREMBLAY NATHAN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 24, for the relief of Marguerite Tremblay Nathan.

Mr. Speaker: Is the motion agreed to?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

DOLORES MARION ZOLOV KARPMAN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 25, for the relief of Dolores Marion Zolov Karpman.

Mr. Speaker: Is the motion agreed to?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

ROSALIE ROSETTI ACASON

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 26, for the relief of Rosalie Rosetti Acason.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is another bill where the principal witness is the co-respondent. Once again, as with some of the others to which I have referred today, having read the bill it seems to me we simply do not know whether or not this is a divorce that should be granted. The more I read bills of this kind, and there are a lot more like them before us today, the more I feel we

simply are not competent as a group of members, with all the other business we have, to be dealing with cases of this kind.

Mr. Speaker: Order.

Mr. Knowles: I am glad to hear you say "order", Mr. Speaker. I think the whole business is out of order.

Mr. Speaker: I fully agree with the hon. member. As a matter of fact, I have been looking up some of the authorities and want to submit some observations to him. The hon. member concluded his remarks a moment ago by saying that he does not think members are competent to deal with these matters. No doubt he was referring to a bill he introduced the other day which will eventually come before the house, namely his proposal to refer this whole business, as he calls it, to the exchequer court. That measure will come up and he will have ample opportunity at that time to put forward the suggestion contained in that bill. Therefore the suggestion should not be anticipated in the discussion of this bill.

Mr. Knowles: With respect, I did not suggest it. You may be reading my mind, but I did not say it.

Mr. Speaker: The hon. member almost said it without referring to the bill. I have heard him make remarks before with respect to this whole business and he will perhaps permit me to keep in my mind some of the words he does say in the house from time to time.

I want to refer particularly to the procedure that has been followed since five o'clock. The hon. member for Mackenzie (Mr. Nicholson) and the hon. member for Winnipeg North Centre (Mr. Knowles) have spoken to the second reading of some of the divorce bills that have been before the house today. In each of the cases on which they have spoken they have referred to the evidence taken in the Senate. I think they have both referred to members of the Senate who are members of that committee and who acted on it. I have in mind, in looking over these proceedings, that if we are to refer to the actions taken or the opinions expressed by the members of the other house, perhaps we are alluding to proceedings in the other house. That is something which is not allowed in this house. I would refer hon. members to citation 243:

> Allusion to debates in the other house are out of order, and there are few orders more important than this for the conduct of debate and for observing courtesy between houses.

There was nothing derogatory in what was said about the members of the other place. As a matter of fact I think it was complimentary.

[Mr. Knowles.]

Nevertheless I do not believe that in this house we should summarize the work that is being done by one or two individual senators in whatever work they are called upon to perform in the other house. Today, in view of the fact that the comments have not been derogatory, one might say, "Let it go". But tomorrow they may be derogatory and then I would be obliged to stop hon. members from referring to our colleagues in the Senate.

Mr. Knowles: Will Your Honour permit a question?

Mr. Speaker: Yes.

Mr. Knowles: I do not rise to argue the point just now but would Your Honour regard what goes on in a committee or in a subcommittee of the other place as coming under the same ban that is stipulated in citation 243 which refers to the other house? The documents from which we have been reading are reports of proceedings in committees and subcommittees. They are not reports of what went on in the other house itself.

Mr. Speaker: The hon. member could also have asked whether it relates to debates. The citation to which I have referred, namely citation 243, refers to debates whereas the evidence that has been commented upon constitutes the proceedings in a working committee of the Senate.

Citation 243, although it refers only to "allusion to debates" is only one citation that points out the courtesy which must exist between the two houses. Generally speaking, I think there can be found other citations which are to the effect that in our own house in debate we should refrain from referring to individual members of the other place and what they have done, in whatever capacity, as far as their parliamentary work is concerned.

But there is this further point that I should like to submit to hon. members, namely the very nature of a private bill. When the second reading of a private bill has been given, its principle is to be accepted only conditionally. It is accepted conditionally upon the facts being proven before our own committee to which the bill must be referred. By our own standing orders we provide that, with respect to any private bill, the principle of it is accepted upon condition that it will be referred—we have no choice in the matter—to a standing committee where the facts relating to that bill will be proven. If the preamble is not proven, the bill does not go any further. But if it is proven, it comes back here.

I think the discussion of the evidence taken in the Senate is a premature discussion.

Furthermore, to expect that hon. members, in debating the second reading of these bills, will make up their minds only upon the evidence taken in the Senate I think is prejudging what their attitude may be after they have looked at that bill in their own committee.

We know what the practice is and what it has been, but I am now talking about the theory of the whole thing. I am not assuming that our committee, let us say, will not meet —to take an absurd case—to consider these things or, even if they did meet, that they would not pass on them quickly because, let us say, they have confidence in what has taken place on the Senate side. At this moment this bill is to be referred to one of our standing committees. If hon. members wish to do so, they can call all the witnesses —including detectives when there were any— take their own evidence and make up their own minds.

Then in committee of the whole they can review the proceedings that have been reported from our standing committee. But at this moment, in discussing the principle of this bill on second reading, to summarize for the benefit of hon. members who perhaps, like myself, have not read the evidence, while at times it is extremely interesting and entertaining, I think it is something that does not meet the conditions that our rules prescribe.

I am not making a ruling today. I just want to submit these points for the consideration of hon. members. There is no question that, according to citations 769, 770 and 771, on second reading the principle of a private bill is accepted only conditionally. I read now from citation 769:

> . . . but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the house, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee.

The allegations of fact contained in this bill, as far as our own house is concerned, have not been proven. The allegations of fact in the petition have been proved to the satisfaction of the Senate before their committee, and they passed the bill and sent it to this house. But as far as we are concerned, we look at the second reading of this bill only conditionally, notwithstanding what the evidence might have been in the Senate. As far as we are concerned, the facts in connection with this bill have not been proven as far as our own committee is concerned.

Otherwise what would be the reason for sending these bills to our standing committee? You might as well have them dealt with immediately—I am speaking of the bills to which hon. members have referred tonight— if they opposed them only on the basis of the Senate evidence but did not seek to do anything further in order to defeat them, such as provoking a division or anything like that. What is the purpose of sending them to our own standing committee? Why should they not go from here directly to the committee of the whole and be passed upon immediately? I consider that we are perhaps not adhering to procedure as strictly as we should in considering these private bills.

Mr. Knowles: May I say a word, Mr. Speaker, because I agree with Your Honour that perhaps the procedure we follow might be considered carefully. As a matter of fact, when I was thinking of what I would say if Your Honour gave me the floor for a moment, I was going to start off by agreeing with what you had said about second reading of a private bill being different from second reading of a public bill. In support of my agreement with Your Honour I intended to read the very sentence or two that you have just read from citation 769 of Beauchesne's third edition. Perhaps I might read the same sentence or two again:

> A public bill being founded on reasons of state policy, the house, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the house, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee.

However, Mr. Speaker, as I think you will readily realize, it was my intention not to stop there, as did Your Honour. I intended to go on and read the next sentence or two, which are as follows:

> Where, irrespective of such facts, the principle is objectionable, the house will not consent to the second reading; but otherwise, the expediency of the measure is usually left for the consideration of the committee.
>
> This is the first occasion on which the bill is before the house otherwise than *pro forma* or in connection with the standing orders; and if the bill be opposed, upon its principle, it is the proper time for attempting its defeat.

Now, Mr. Speaker, I contend that if I, as one of the few members who may happen to have read some of these cases, feel that the principle of a particular bill, the principle of granting a particular divorce as between Mr. and Mrs. A., is objectionable and should not be agreed to, I am within my rights and within the rules of the house in speaking to that bill at second reading. Certainly I would be within my rights in attempting its defeat if I felt that such a bill should not be allowed to pass.

I hope I was not mistaken if I detected in what Your Honour was saying—Your Honour was reading my mind so perhaps I can read Your Honour's—that Your Honour was almost challenging us to divide the house on some of these bills. Well, in the past we have tried and we have found, to our surprise, cases which we thought should be defeated, and knowing the views of many members in this house on divorce we thought would be defeated, which nevertheless were carried. Whether or not we seek to divide the house I suppose depends upon whether we think, having in mind the circumstances of a particular bill, we can win the majority of the members to our view that a particular bill should be defeated.

Nevertheless, because there are some divorces we think should not be granted, we believe we have the right to draw attention to the ones which in our view are slightly objectionable as we go along so that when we get to ones that are really objectionable we will be in a position to give the house an opportunity to divide on them.

As I say, I agree with Your Honour's contention that these bills are different from public bills. But there is a difference within the difference. As I have pointed out by referring to citation 769, where we think there are objections to a particular divorce, it seems to me that we have the right to discuss it on second reading. Nevertheless, I agree that the whole procedure might be reviewed. We would be glad to discuss it privately with Your Honour or in a committee. Indeed, as Your Honour knows, I would be glad to find some way whereby parliament might get rid of the whole business.

Mr. Speaker: I am sorry if the hon. member detected in anything I have said a view that he could not discuss this bill on second reading. Of course if he feels the principle is objectionable, he will discuss it, and he should discuss it. Under the rules he will be quite in order. But in discussing the principle of this bill I consider that he does not necessarily have to refer to the evidence which has been taken on the Senate side. That is my point.

Suppose the bill were introduced in this house. When second reading was being considered in the Senate they would have no evidence whatever. They accept the principle conditional upon their committee proving the allegations of fact. We are in the same position here. I think if you take for granted that our objection to the bill should be based on the evidence taken in the other place, you do not attach very much importance to the ability of our own committee to prove the facts themselves.

[Mr. Knowles.]

Mr. Knowles: May I point out that in the case of a private bill coming before this house initially, other than a divorce bill, the same general rules apply. We expect the sponsor of such a bill to make an initial statement as to what is involved in that bill. I would be satisfied with the same practice in respect of these bills. If instead of our being given the evidence as a means of finding out something about them, the hon. member for Parkdale (Mr. Hunter) or the hon. member for Portage-Neepawa (Mr. Weir) who is sponsoring some of these bills on his behalf, would speak on second reading and tell us why he thinks we should submit this bill to the committee, as is done in the case of private bills, then I would say that would obviate the necessity of our looking at the evidence furnished to us.

I would be interested in what Your Honour has in mind when you say that a reference to the evidence is not necessarily desirable on second reading. I take it there is no question as to our right to refer to it if we wish. My point is that we are accepting this evidence as something that is given to us in lieu of a statement in support of the bill being made by the mover of second reading.

Mr. Goode: I wonder if I might make a comment on this. I would support what you have said, Mr. Speaker. I just point out to you that if the evidence is going to be allowed on second reading, and if we consider every bill that has been offered to the house at this time, it would take every hon. member 26½ hours to read the evidence. He must be in the same position as my hon. friend to be able to debate a particular bill, and I do not think any hon. member, on this side of the house at least, has 26½ hours to spend reading evidence on divorce bills.

Mr. Herridge: I should like to draw to your attention the fact that during the last parliament when a divorce bill was brought before this house, a member on the government side objected to it being proceeded with because members had not received a copy of the evidence. Mr. Speaker upheld that objection at that time because members had not received a copy of the evidence and were therefore not in a position to proceed.

Mr. Speaker: Does the hon. member have the precise date of that incident?

Mr. Herridge: No, I have not, but I know I am speaking correctly.

Mr. Speaker: I recall one, and in discussing this point with my predecessor he had doubts as to whether or not hon. members would

have the right to hold up a bill which comes up for second reading only on the ground that the evidence had not been received from the Senate. I think in this case one wants to accommodate all hon. members. I do not think I would, myself, care to have to render a judgment on that point, although I think if I were pressed I would do so. The Clerk informs me that the evidence is always received with the bill, so there is one copy of the evidence available. Copies are not always printed and distributed when the bill comes up for second reading.

In these instances today, all the evidence has been printed and distributed. When a bill is called, it is printed. According to our standing order all bills must be printed before second reading. They have been printed and they meet with our requirements; therefore I can put the question whenever they are called. Theoretically I do not believe hon. members may object on the ground that the evidence has not been printed and distributed. The evidence is not part of the bill.

As I say, I raised the point only as a matter of interest and perhaps as a diversion from the rather monotonous task I was performing of proposing one bill after another. Having done so, hon. members may consider what I have said. It is not a ruling, but I thought I would make these remarks in order to give hon. members an opportunity to think them over. Perhaps on some other occasion I may have to rule, but I want to go further into this myself.

Mr. Nicholson: I am not clear as to whether or not you consider it is permissible to refer to the evidence in connection with these cases. May I say that last year there were four or five cases before us which this house refused to accept on the evidence as it came from the other place; we reversed the decision. If we had not been able to refer to this evidence I am sure we would not have managed to win a favourable vote in the house. We have no other information on which to reach a judgment as to whether second reading should be given or refused, except on the basis of the material which is supplied to all hon. members reviewing the work of the committee.

Mr. Speaker: I do not want to make a ruling on this point; I have doubts. If the hon. member wishes to continue quoting from the evidence I will not stop him on this occasion.

Mr. Richardson: May I ask the hon. member for Winnipeg North Centre a question? I was about to ask him whether he would permit me to do so before Your Honour began your observations. Has he, or any other member of his party, including the hon. member for Mackenzie, any other bills of this kind in which either of these hon. members has a particular interest?

Mr. Castleden: Why?

Mr. Knowles: Will that not be found out as we proceed?

Mr. Richardson: I am only asking the question.

Mr. Castleden: You have the answer.

Mr. Speaker: Is the motion agreed to?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

EDMUND JOSEPH COCHRANE

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 27, for the relief of Edmund Joseph Cochrane.

Mr. Speaker: Is it the pleasure of the house to adopt the motion.

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

EDNA HANNAH KEENE NEWBERG

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 28, for the relief of Edna Hannah Keene Newberg.

Mr. Speaker: Is it the pleasure of the house to adopt the motion.

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

CHARLOTTE JEAN MCANDREW BOYD THOMPSON

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 29, for the relief of Charlotte Jean McAndrew Boyd Thompson.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

WILMA JUNE KEAST NOEL

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 30, for the relief of Wilma June Keast Noel.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

PATRICIA O'NEILL PRIMIANI

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 31, for the relief of Patricia O'Neill Primiani.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

EVELYN NELLIE KEEMER MEIN

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 32, for the relief of Evelyn Nellie Keemer Mein.

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

Mr. A. M. Nicholson (Mackenzie): At this point I should like to give you a rest for a few moments, Mr. Speaker.

Mr. Knowles: An act for the relief of Mr. Speaker.

Mr. Nicholson: Again I would like to pay a compliment to Their Honours who handled this case. The chairman was Senator Gershaw and the other members were Senator Cameron and Senator Hawkins. In discussing this particular case the chairman, Senator Gershaw, intimated that he hoped he had the facilities available to try to find out what went wrong in this instance. Here they had a young couple with all the advantages that one could expect to find. There was no shortage of money; they had a good education. The chairman went to a great deal of trouble to find out what really was wrong and whether there would not be some possibility of reconciling the difficulty. Of course, in his capacity as the chairman of the committee he did not have any further responsibility than to recommend whether or not the divorce should be granted. I should like to commend particularly Senator Gershaw for the very sympathetic manner in which this particular case was handled.

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

[Mr. Weir.]

PIERRE ROGER VUILLE

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 33, for the relief of Pierre Roger Vuille.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

MARIE GERTRUDE ANTOINETTE HOTTE OUELLETTE

Mr. W. G. Weir (Portage-Neepawa, for Mr. Hunter) moved the second reading of Bill No. 34, for the relief of Marie Gertrude Antoinette Hotte Ouellette.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

EUPHROSINA KOWALYK WHALLEY

Mr. E. T. Applewhaite (Skeena, for Mr. Hunter) moved the second reading of Bill No. 35, for the relief of Euphrosina Kowalyk Whalley.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

MATILDA STONER ADAMS

Mr. E. T. Applewhaite (Skeena, for Mr. Hunter) moved the second reading of the Bill No. 36, for the relief of Matilda Stoner Adams.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

GERTRUDE BAILISS GOODLIN

Mr. E. T. Applewhaite (Skeena, for Mr. Hunter) moved the second reading of Bill No. 37, for the relief of Gertrude Bailiss Goodlin.

Mr. Stanley Knowles (Winnipeg North Centre): Can the hon. member for Skeena, who has been named as the mover of the motion for second reading of this bill, give any reasons why we should support it on second reading?

Mr. Applewhaite: I am particularly pleased that an opportunity has been given to me to express the reason. The hon. member for

Winnipeg North Centre will, I think, follow my line of reasoning. If he agrees with me that under certain circumstances, regrettable circumstances, in Canada, it is expedient that people be divorced, then he thinks as I. He and I will both have the greatest respect for those who believe that under no circumstances should couples be divorced.

In this case I, as sponsor of the bill, have reason to believe it can be proved that those circumstances justifying the passing of the bill will be proven or can be proven in our committee. They cannot be proven under the rules, I submit, until such time as the bill reaches the committee which has the power to look into those statements of fact. In other words, sir, the principle of the bill which we are now called upon to approve or disapprove is that if certain facts can be proved, then it is expedient that a divorce be granted. The application of that principle to a particular set of facts cannot be discussed by this house at this time because those facts cannot be made available in final form in this house for the house to take action on them until such time as this house has referred a private bill to a committee.

That is the point on which I was greatly tempted to rise to my feet a few moments ago, because I do feel that that is the basic principle in passing private bills on second reading. I do not know the history, but there has grown up in this parliament the practice of considering this class of private bills differently from others.

It was my privilege at one time to be quite vitally concerned with a contested private bill of another nature which started in the Senate and came to this house. It was most noticeable at that time that no evidence given in the committee of the Senate came to this house. Then there were a number of pipe-line bills a few sessions back which originated in the Senate, and no evidence came to this house upon which it could base approval of the motion for second reading. It was only the basic principle; and whether there was sufficient evidence to make that principle applicable could, I submit, be made known to this house only through the miscellaneous private bills committee or some other appropriate committee.

Mr. Knowles: Mr. Speaker, I appreciate the statement the hon. member for Skeena has made. The fact is that a number of us, including the hon. member, Your Honour and others, will no doubt have private discussions about this matter because it is quite important. It does seem to me, if I may add this word, that what the hon. member for Skeena has said suggests that second reading in the case of divorce bills means something quite different from the second reading of other private bills, let alone the second reading of public bills. That being the case, it seems to me that the whole question of our procedure on these bills, if we are going to continue to deal with them here, might be reviewed further.

As a member of Your Honour's committee which met for several sessions to deal with the rules and procedures of this house, if I may say so I am pleased with the job we did. Many of the changes we made have already proven to be very valuable and I think we cleared up many ambiguities with respect to the procedures of the house. I suppose this matter of divorce was a bit difficult for us to deal with effectively, but it seems to me that it is one piece of unfinished business, this question of how we should be handling these divorce bills.

Mr. Speaker: Shall the motion carry?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

GASTON MAILLE

Mr. E. T. Applewhaite (Skeena, for Mr. Hunter) moved the second reading of Bill No. 42, for the relief of Gaston Maille.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, on page 13 of the evidence in connection with this case will be found some questions and answers which are a bit vague. Apparently the petitioner went to the lawyer and asked for money, and suggested he be paid $5 a week to avoid divorce proceedings. I am sorry Their Honours did not follow that through, but apparently it was dropped at that point. I suggest that when our committee reaches this bill further consideration be given to the information on page 13 of the evidence.

Mr. Speaker: Shall the motion carry?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

DIVORCE BILLS

Mr. Speaker: Some hon. members have expressed the opinion that we should get rid of all the remaining bills at once in order to save printing costs. Can they be taken up in one motion and disposed of?

Some hon. Members: Agreed.

Mr. Knowles: Agreed to on division out of respect for Your Honour's voice.

Mr. Speaker: I appreciate the hon. member's kindness very much.

Private Bills—Divorce

SECOND READINGS—SENATE BILLS

Bill No. 38, for the relief of Leokadja Laura Rozycka Haber.—Mr. Hunter.

Bill No. 39, for the relief of Teofila Kurjata Marciniak.—Mr. Hunter.

Bill No. 40, for the relief of Shirley Gelber Kaufman.—Mr. Hunter.

Bill No. 41, for the relief of Margaret Pounden Greenstien.—Mr. Hunter.

Bill No. 43, for the relief of Mary Dufresne Cosco.—Mr. Hunter.

Bill No. 44, for the relief of Julienne Marchesseault Jasmin.—Mr. Hunter.

Bill No. 45, for the relief of Helen Mary Farrell Hickey.—Mr. Hunter.

Bill No. 46, for the relief of Hazel Mair Grant Mander.—Mr. Hunter.

Bill No. 47, for the relief of Joseph Roland Gaston Charette.—Mr. Hunter.

Bill No. 48, for the relief of Beulah Sybil Chapman Maus.—Mr. Hunter.

Bill No. 49, for the relief of John Elwood Way.—Mr. Hunter.

Bill No. 50, for the relief of Thomas Charles Desmarais.—Mr. Hunter.

Bill No. 53, for the relief of John Caldwell Scriver.—Mr. Hunter.

Bill No. 54, for the relief of Marie Therese Provost Lapointe.—Mr. Hunter.

Bill No. 55, for the relief of Margeryann Williams Farrow Chesney.—Mr. Hunter.

Bill No. 56, for the relief of Kathleen Birdie MacPhail Morgan.—Mr. Hunter.

Bill No. 57, for the relief of Sylvia Colato Le Pottier.—Mr. Hunter.

Bill No. 58, for the relief of Antonina Dieni Choumanchuk.—Mr. Hunter.

Bill No. 59, for the relief of Rena Amelia Duncan Chenier.—Mr. Hunter.

Bill No. 60, for the relief of Stanley Edgar Barnes.—Mr. Hunter.

Bill No. 61, for the relief of Molly Joyce LaPlante Baggott.—Mr. Hunter.

Bill No. 62, for the relief of Jean Dorothy McLean Lewis.—Mr. Hunter.

Bill No. 63, for the relief of John Walter Thoburn.—Mr. Hunter.

Bill No. 64, for the relief of Panorea Delaporta Alivizatos.—Mr. Hunter.

Bill No. 65, for the relief of William James Stoddard Edington.—Mr. Hunter.

Bill No. 67, for the relief of Audrey Hilda Voysey Beaudoin.—Mr. Hunter.

Bill No. 68, for the relief of Frederick Howard Blaikie.—Mr. Hunter.

Bill No. 69, for the relief of Muriel Tetreau St. George.—Mr. Hunter.

[Mr. Speaker.]

Bill No. 70, for the relief of Patricia Colleen Hewitt Nelson.—Mr. Hunter.

Bill No. 71, for the relief of Ruth Mildred Thompson McBain.—Mr. Hunter.

Bill No. 72, for the relief of Joseph Theophile Lambert.—Mr. Hunter.

Bill No. 73, for the relief of Lillian Baron Goodman.—Mr. Hunter.

Bill No. 74, for the relief of Madeleine Erna McArthur Blais.—Mr. Hunter.

Bill No. 75, for the relief of Queenie Molly Wolfson Phillips.—Mr. Hunter.

Bill No. 76, for the relief of Annie May Elizabeth Godson Brooks.—Mr. Hunter.

Bill No. 77, for the relief of Ada June Mannard Wilmoth.—Mr. Hunter.

Bill No. 78, for the relief of Rose Florczyk Greenwood.—Mr. Hunter.

Bill No. 79, for the relief of Beryl Grace Leaper Shufelt.—Mr. Hunter.

Bill No. 80, for the relief of Ralph Patrick Dowling.—Mr. Hunter.

Bill No. 81, for the relief of Alice Guernon Peladeau.—Mr. Hunter.

Bill No. 85, for the relief of Elizabeth Baird McDowall Whitlock.—Mr. Hunter.

Bill No. 86, for the relief of Adrien Patrick Dicaire.—Mr. Hunter.

Bill No. 87, for the relief of Jessie Altha MacBride Burnside.—Mr. Hunter.

Bill No. 88, for the relief of Marianne Adorjan Balogh.—Mr. Hunter.

Bill No. 89, for the relief of Helene Marguerite Peck Cooper.—Mr. Hunter.

Bill No. 90, for the relief of Una Margaret Prower Douglas Heubach.—Mr. Hunter.

Bill No. 91, for the relief of Hilary Hope-Hawkins Hardie Henders.—Mr. Hunter.

Bill No. 92, for the relief of Marie Arthemise Marguerite Denise Laperriere Mercier.—Mr. Hunter.

Bill No. 93, for the relief of Harry Hood.—Mr. Hunter.

Bill No. 94, for the relief of Delima Chalifoux Prevost.—Mr. Hunter.

Bill No. 95, for the relief of Frances Raven Sherman.—Mr. Hunter.

Bill No. 96, for the relief of Constance Louisa Kelly McKenna.—Mr. Hunter.

Bill No. 97, for the relief of Jean Mailman Greenleaf.—Mr. Hunter.

Bill No. 98, for the relief of Grace Elizabeth Davidson Alexander.—Mr. Hunter.

Bill No. 99, for the relief of Frederick Arthur Waltho.—Mr. Hunter.

Bill No. 100, for the relief of Jean Decary.—Mr. Hunter.

Bill No. 101, for the relief of Sylvia Barbara Murphy Simon.—Mr. Hunter.

Bill No. 102, for the relief of Amy Elizabeth Torrance Fraser Walker.—Mr. Hunter.

Bill No. 103, for the relief of Margery Cooper Mason.—Mr. Hunter.

Bill No. 104, for the relief of Caroline Scortaru Ungariano, otherwise known as Caroline Scortaru Ungar.—Mr. Hunter.

Bill No. 105, for the relief of John Joseph Rahilly.—Mr. Hunter.

Bill No. 106, for the relief of William Ross Gould.—Mr. Hunter.

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

ANSWERS TO QUESTIONS

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

C.B.C. DIRECTORATE

Question No. 116—**Mr. Diefenbaker:**

1. Who are the members of the directorate of the Canadian Broadcasting Corporation referred to by the minister in the House of Commons on February 7?
2. How often does the said directorate meet?
3. What are its duties?

Answer by: **Mr. McCann:**

On February 7, the hon. member for Eglinton asked if there is a directorate in the C.B.C. which concerns itself with whether a program will or will not go on the air. It was thought at the time that the reference was to one of the regular divisions or departments of the C.B.C. The reference and this inquiry is now understood to relate to some presumed special directorate or body that decides whether programs do or do not go on the air.

The C.B.C. advises that there is no such special body which considers and decides whether programs should or should not be broadcast. The C.B.C. as a corporate entity has full and independent responsibility for all program decisions which are taken through the usual administrative process of chains of responsibility.

BALL POINT WRITING INSTRUMENTS

Question No. 140—**Miss Aitken:**

With reference to tender No. 24-20577, ball point writing instruments, (a) how many tenders were received; (b) what firms submitted tenders; (c) what price was quoted in each tender; (d) which tender was accepted?

Answer by: **Mr. Pinard:**

(a) Four.

(b) Scripto of Canada Ltd., 184 Bay St., Toronto, Ont.; Venus Pencil Co. Ltd., 1325 The Queensway, Toronto 14, Ont.; Northern Products Ltd., 1090 Laurier St., Montreal 23, P.Q.; Truform Industries Ltd., 50 Main St. South, Weston, Ont.

(c) Scripto of Canada Ltd., $37,403.90; Venus Pencil Co. Ltd., $18,241.52 ($18,613.80 less 2 per cent—10 days); Northern Products Ltd., $18,200.16; Truform Industries Ltd., $17,869.25.

(d) That of Venus Pencil Co. Ltd. (found best suited for purpose by independent laboratory tests).

HOUSE OF COMMONS

Monday, February 20, 1956

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

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

That when this house adjourns at six o'clock p.m. on Wednesday, March 28 next, it stands adjourned until Monday, April 9, 1956, at 2.30 o'clock p.m.

Motion agreed to.

STORMS

SUGGESTED ASSISTANCE TO BE GIVEN EUROPEAN NATIONS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the Prime Minister anything to say about any decision of this government along the same lines as the announcement by President Eisenhower in the United States, who stated that supplies of grain and other food products would be available for those in distress in western Europe?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, not at this time.

STEPS TAKEN TO OBTAIN INFORMATION AS TO SITUATION IN EUROPE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister supplementary to the question asked today by the Leader of the Opposition and also supplementary to the question I asked on Thursday of last week. Is the government taking any steps to secure information regarding the situation in Europe so as to determine whether or not Canada should be providing assistance to the people there?

Right Hon. L. S. St. Laurent (Prime Minister): The government is obtaining information from its representatives in the countries that were affected by these unusual weather conditions.

TRADE

GREAT BRITAIN—REPORTED DECISION NOT TO JOIN INTERNATIONAL WHEAT AGREEMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is it a fact, as announced a few moments ago on the radio, that the United Kingdom has given notice that it does not intend to join the international wheat agreement nations and, if that is the decision, what are the prospects of that organization being effective?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, we were advised in advance that the United Kingdom did not intend to join the wheat agreement. Of course, that country is not a member of the wheat agreement at the moment. It certainly lessens the effectiveness of the agreement to have the United Kingdom a non-participant. I think I had better reserve further comments until I am more familiar with what was said at Geneva.

Mr. Diefenbaker: Would the minister allow a supplementary question? There was some reference as well to the fact that the result of this will be a reduction in the price of bread. Does the minister consider that the abstention of the United Kingdom from this agreement will bring about a pronounced reduction in the price of wheat?

Mr. Howe (Port Arthur): The answer, Mr. Speaker, is no.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wonder if the minister would be prepared to say whether Canada would support a restricted international wheat agreement, believing that such an agreement would be beneficial to this country and would get the support of wheat producers.

Mr. Howe (Port Arthur): Mr. Speaker, I do not know what a restricted wheat agreement is.

Mr. Argue: Without Britain.

Mr. Howe (Port Arthur): That would depend on many things. I do not care to comment without more information as to what did happen in Geneva today. I have no information. We have six farm advisers there,

together with a strong group representing the government, and until I hear from them I would not care to say what we would or would not do.

GRAIN

WHEAT—REPORTED DECREASE IN EXPORTS DURING DECEMBER

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of Trade and Commerce. Would the minister care to comment on the Canadian Press dispatch from Winnipeg this morning to the effect that wheat exports for December were down about 50 per cent from November and December, 1954?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Wheat exports in December are always down from November. The volume of wheat exports during December depends on the date of closing of navigation on the St. Lawrence.

Mr. Nicholson: They are down about 50 per cent from a year ago.

Mr. Howe (Port Arthur): They are not down 50 per cent from a year ago. I presume the reason that wheat exports from the St. Lawrence were down in December has a good deal to do with the fact that wheat exports from the maritime ports during January, February and March are going to set all-time records.

WHEAT—REPORTED COMPLETION OF CONTRACTS WITH RUSSIA

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask the Minister of Trade and Commerce a question. Has the Russian trade delegation now completed in Winnipeg a number of contracts for purchases of wheat, as reported in today's Winnipeg *Tribune*? If so, what are the sizes of such contracts?

Right Hon. C. D. Howe (Minister of Trade and Commerce): It has been made abundantly clear, and my hon. friend should know it, that sales of wheat are not discussed in this house.

Mr. Argue: They are in the Winnipeg *Tribune*.

ADMINISTRATION OF JUSTICE

REQUESTED STAY OF EXECUTIONS UNTIL REPORT OF COMMITTEE ON CAPITAL PUNISHMENT

On the orders of the day:

Mr. Hayden Stanton (Leeds): I should like to direct a question to the Minister of Justice. Would the government consider staying all executions of those convicted of murder and sentenced to be hanged until the report on capital punishment has been received and parliament has had a chance to discuss the same?

Hon. Stuart S. Garson (Minister of Justice): My hon. friend not having given me notice of his question, I should tell him that the matter he has raised is a matter of government policy which will be announced in due course.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—TABLING OF PUBLIC FINANCING AGREEMENT

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of Trade and Commerce. Can the minister inform us when the undertaking given by Trans-Canada Pipe Lines Limited in regard to their method of public financing will be tabled in the house, as requested last Thursday?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am glad to give that information. It was tabled about ten o'clock this morning.

SHIPPING

SINKING OF "HILUNGA"—PARTICIPATION OF R.C.A.F. PLANES IN RESCUE OPERATIONS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on Thursday last the hon. member for Nanaimo asked me whether any Royal Canadian Air Force planes were available in connection with the loss of the Department of Public Works vessel *Hilunga* and whether any of them proceeded to the scene of the wreck. The answer to the first question is yes. As to the second question, I may say that during the period of rescue operations six Royal Canadian Air Force aircraft carried out nine sorties for a total of 41 hours of flying. The crew of the *Hilunga* was first sighted by a Royal Canadian Air Force Lancaster at ten o'clock a.m. Pacific time on the 17th and a Royal Canadian Air Force Canso picked up the survivors and landed them at Sea Island shortly before four p.m. Pacific time on the same day.

NATIONAL DEFENCE

STATEMENT RESPECTING CANADIAN CASUALTIES IN KOREA

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): On Thursday last the hon. member

for Esquimalt-Saanich addressed the following question to me:

May I ask the minister if there are any Canadian casualties in Korea at the present time?

The answer is no.

SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of supply:

POWER DEVELOPMENT—PARTICIPATION BY FEDERAL AND PROVINCIAL GOVERNMENTS

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I propose to avail myself of the opportunity afforded on the discussion of this motion to bring before the house today the discussion of power development and a policy of joint investment by the federal and provincial governments in power development throughout Canada. In raising this subject I am not limiting the purport of the motion to hydroelectric power or to electricity but include the development of industrial power generally, with particular reference to the development of hydroelectric power, underground gasification of coal for power generation purposes and atomic power.

It seems to me that there is no occasion to devote too much time to emphasizing the immense advantages of the development of our available hydroelectric resources. Every Canadian has seen the remarkable results that follow the harnessing of our great streams in this country. There is reason to believe that it may be possible to harness other power besides that of the flowing rivers. Research is now being carried out into the harnessing of tides and the flow of water between confined rocky shores. New possibilities are presented in that field. Particularly, however, all Canadians have had occasion to be tremendously impressed by the consequences that have followed in every case where great water powers have been harnessed.

I suggest, Mr. Speaker, that in some of the discussions which have taken place publicly in recent months too much emphasis has been placed upon the cost of transmission of electric energy from power sites to the point where the power will be used. I mention that matter for this reason. For example, in relation to the development of certain of our power resources, I have noted that some emphasis has been placed upon the fact that in harnessing those power resources it would cost us a great deal to carry that power to the industrial centres. For instance, I have seen that suggestion made in the case of the greatest power resource we have in Canada, namely Grand falls on the Hamilton river where more than 3 million horsepower are immediately available with the harnessing of those mighty waters. I would suggest that those who think only in terms of carrying power to existing centres of production should examine what has happened out in northern British Columbia. One of the most exciting and challenging developments has taken place at Kitimat, where great water powers have been harnessed in the sub-Arctic, and now one of the largest aluminum plants in the world is producing aluminum as a result of the fact that water power is available at that point. No attempt was made to carry that power long distances by transmission lines. They carried it that relatively short distance, over a mountain it is true but over a comparatively short distance, to the producing site on the seaboard where the processed aluminum could be shipped to the markets of the world. I feel confident that with the harnessing of Grand falls on the Hamilton river, not very far from the great air base of Goose Bay which so many of us know, we will see pulp and paper mills, metal processing and other developments of that kind take place within close proximity to that distant spot.

Nevertheless, even if transmission lines are necessary, the constant improvement of the alloyed metals which carry the power is facilitating more and more every day the transmission of heavy loads of electrical energy to distant points. I mention this because it is not only in the case of the production of electrical energy, but also energy of other kinds, that it would be well if we could keep in our minds the fact that industry goes to power. The largest producer of aluminium at this time is at Shipshaw. In that case bauxite from Jamaica and South America is carried by ship up the St. Lawrence and up the Saguenay to the mill near the tremendous power plant at Shipshaw. The process of production went to the source of power. The same thing happened at Kitimat, as I have mentioned.

In this regard I should like to mention the possible use of some of our vast coal resources in Cape Breton, where no doubt there could be, with the underground gasification of coal, power generation carried out at economic costs. In discussing that, I have seen it stated that there would be very long transmission lines between the place where the power would be produced and Halifax. I should like to emphasize the fact that if power were produced in Cape Breton by the underground gasification of coal in those seams which in some cases are not being worked, it would be possible to instal

secondary industries at that point because this power would be produced near the seaboard.

Not only new steel mills but other types of secondary production could be established there from which would be shipped the finished product to the markets of the world. This tremendous possibility of power development presents itself right across Canada. In British Columbia there are enormous power resources waiting to be harnessed. I think that in British Columbia there are perhaps some of the greatest sources of power still waiting to be brought under control and developed for the production of electricity. Our members from British Columbia will be discussing that subject. Our members from the maritime provinces will be discussing this subject from the point of view of development in Nova Scotia, New Brunswick and the other maritime provinces.

In addition also to the production of electricity by means of hydro, and the thermal production of electricity, there is the production of electricity by gasification and by atomic energy. Atomic energy is no longer a dream in the production of electricity. This year electricity will be flowing into the great electricity grid in Britain from an atomic plant, and that is only the beginning of a tremendous program, which, in a few years, will be contributing a large quantity of the needed electricity in Britain to their grid system.

In this country experiments are taking place in co-operation between the agencies of the federal government and the Ontario Hydro-Electric Power Commission for the purpose of designing and planning atomic energy electricity plants. This presents immense possibilities for the future and particularly for those provinces which nature has not endowed with great natural water resources. This will be of particular importance to the maritime provinces. In the maritime provinces there are water powers but not the mighty rivers that we have in Quebec, in Ontario, in British Columbia and also in some measure in the northern parts of the prairie provinces as well. In the southern part of the prairie provinces and in the maritime provinces there will undoubtedly be a particular interest in the development of atomic energy.

I feel sure that all hon. members have been interested in the report of the citizens' committee in the United States, which was presented to the government of the United States just a few weeks ago. In that report they pictured the possibility that within 25 years more than half of all the electricity used in the United States may come from atomic energy. That is how close we actually are to the possibility of the commercial use of atomic energy for the production of electricity. I recognize, and I am not minimizing the fact, that much still needs to be done to bring the production of electricity from atomic energy down to an economic level of production costs. However, it was pointed out by this extremely competent committee, representative of management, of engineering skill, of organized labour and of other activities associated with ventures of this kind, that there is every reason to believe that we are on the brink, if one might use that word without inviting criticism, of great new opportunities in the use of this energy; that we are in fact in all probability just at the beginning of the atomic age so far as the peaceful use of atomic energy is concerned for industrial and power purposes.

In making the recommendations that I propose to make I am not suggesting that the federal government should get into the active production of power in those areas. I am very conscious of the fact, and have reason to be particularly conscious of the fact, that the development of resources is within the exclusive jurisdiction of the provincial governments. Under no circumstances should it be implied or suggested that the federal government will in any way seek to invade that field of responsibility which is that of the provincial governments.

It is already apparent that many of the provincial governments find it necessary to seek financial support in carrying out some of the ventures which they would like to develop within their own boundaries. Some provinces have such a broad financial basis that they are fully capable of undertaking any activities of this kind except in the case of atomic energy. In the case of atomic energy, however, it would seem likely that it will require the co-operation of the federal government in almost every case because of the special relationship of the federal government to the many aspects of atomic energy research.

I do not want anything I say today to be taken as implying that I am suggesting that this government get any further into business. I think the time has come for this government to divest itself of many of the activities it has taken on, and which it took on for some particular reason. I think that, except for those cases that are manifestly special activities which should be brought under government development, this government would be well advised to follow the lead

that has already been given by the government of the United States where the picture was similar in very many ways.

I am talking about co-operation and the joint investment in some of these great developments. As I have indicated, I shall leave the discussion of some of the particular projects in British Columbia and in the maritime provinces to the hon. members of our party from those provinces. Because I have spoken of this on a number of earlier occasions, and because my memory of this particular project goes back to my early boyhood, I do want to speak today about the project on the South Saskatchewan river and the reason why every hon. member of this house should be prepared to say now that we want action from this government in regard to the development of the South Saskatchewan river for power and for irrigation.

This subject has been before the house many times but this above all others is the time when encouragement should be given to the people of Saskatchewan and to the people of the prairie provinces by a definite decision on the part of this government that it will without any reservation proceed as quickly as possible with the construction of the dam on the South Saskatchewan river which will provide both electricity and irrigation.

There need be no uncertainty in the mind of any hon. member as to the practical possibilities of this project. The skilled engineers under the P.F.R.A. have advocated that this be proceeded with. In order to have further and full support for the contention that this should be done the government appointed a royal commission. That royal commission made a finding which leaves no justification for any delay in a decision to proceed with the development. I would point out that, in spite of the immense scale of the development of the St. Lawrence river, the government did not feel impelled to appoint a royal commission to find out whether its engineers had been correct in their recommendations that it should proceed with the St. Lawrence river development. The government was prepared to rely on the advice of its own engineers and it did so with the full support of the hon. members of this house.

One cannot escape the thought that the appointing of a royal commission to deal with the various problems arising in connection with the South Saskatchewan river development was simply a delaying program and that it was not in fact done for the purpose of obtaining additional information. In any event, delay was pleaded as being justified on the ground that this commission had been appointed. That commission was appointed, it has reported, and its report has been available for a long time.

Granted that the figure, of course, is not small; granted that the figure, of course, may be difficult to determine down to the exact dollar some distance in advance. But, whether it be $135 million as originally estimated or $160 million as is now estimated, in any case there seems no uncertainty about the fact that the cost will be more than justified by the direct results and by the indirect results that would flow from this decision alone, even without waiting for the completion of that great project.

Near Outlook, in the province of Saskatchewan, there is visible proof of what can be done by irrigation in that very unfortunate area. Those who have been through that countryside know the desolate picture of abandoned homes, abandoned schools, abandoned churches and abandoned farms. Those who have been through that area know the difficulties under which those farmers have been carrying on for years, who have nevertheless carried on their farming activities. Throughout that whole great dry area of the Palliser triangle, the decision to go forward with the development of electricity and this great irrigation project would bring heart to people who have been discouraged and people who are doubly discouraged at this time with the problems of the failure of wheat marketing imposed on top of the difficulties they have already encountered. This great undertaking would change the whole aspect of that countryside. An area of 500,000 acres now under very limited production or no production at all would be irrigated. Those who have visited the experimental irrigation project near Outlook know that, with irrigation, that is rich, productive soil. In that experimental irrigation area, not only field crops but excellent root crops are being produced. Actually it is a garden area, and around it is grey, desolate, dry land.

It would be worth while to compare what is happening with what has happened not far away in North Dakota. Just across the boundary in North Dakota there was another power possibility. They have gone ahead in North Dakota with the construction of what is known as the Garrison dam. The comparative figures of those two projects are extremely interesting. It is true that the project in North Dakota is somewhat larger. Whereas in Saskatchewan 500,000 acres would be brought under cultivation by this irrigation, the Garrison dam project in North Dakota will irrigate 960,000 acres, just less than twice as much. Instead of 250,000 kilowatts of power produced by the dam on the South

Saskatchewan, the Garrison dam project will produce 400,000 kilowatts, substantially less than twice as much. But let us see the comparative costs. The Garrison dam project, which will produce substantially less than twice as much, both in irrigation and in power, as will the South Saskatchewan river development, will cost $400 million, whereas the highest estimate that has been placed on the cost of the South Saskatchewan project is $160 million. All the economics are in favour of the project across the border on our side, in Saskatchewan. The engineers tell us it is practicable. The people of that area need the power and they need the irrigation, and the whole of the prairie provinces need the encouragement which would come from that great development.

Now let me just give you some of the figures of what it is estimated will come to North Dakota as a result of the Garrison dam project, which is considerably less than twice the project in South Saskatchewan. These are the figures of what they expect will come to North Dakota, as a minimum estimate, within the next ten years: 3,600 new farms; 1,700 new businesses; 20,000 new jobs; 93,000 more people, supported by the activities which will result from that development; and $250 million a year in new farm and business income. If the figures were comparable for Saskatchewan, then we would have well in excess of $125 million a year in new return from business and agricultural development that would come directly from that project, as against the initial cost of a maximum of $160 million for the completion of this project.

What is perhaps even more important is that, a result of the irrigation in North Dakota of 960,000 acres, the engineers who have advised on this project, which has now been positively undertaken, believe that this will stabilize the whole agricultural production of 18 million acres of agricultural land throughout the state. It is in that light that I think all of us should examine the possibilities of this great development. It is not only the 500,000 acres that would be directly irrigated; it is not only the elevation of spirit that would come from the sight of these new green acres that would emerge from the development of this project; it is the fact that the new agricultural activity and the secondary industries that would flow from the creation of power would stabilize the whole agricultural picture throughout Saskatchewan in a very large measure, at a time when every hon. member in this house has reason to recall from recent discussions that stabilization in that area is very greatly needed. There can be no reason of any kind to question the fact that we would gain even more substantially in Saskatchewan, in central eastern Alberta and throughout the whole prairie provinces by undertaking this project. What are the reasons for delay? What reasons have been given? The Minister of Agriculture (Mr. Gardiner), who is prolific in statements that need correction afterwards, has given his explanation of why it is not being proceeded with. As reported in the Regina *Leader-Post*, and as stated already in the house, the Minister of Agriculture said:

> We have been doing all right at clearing obstructions out of the way. There were four when we started discussions, and there is now only one left—the question of power development costs—

Let us hope that in this case he was accurate. After his lesson to the Liberal meeting here in Ottawa in January that you should not care too much about whether you believed in what you said as long as you said it with sufficient emphasis in support of the party line, perhaps it would not be inappropriate to wonder whether he believed what he was saying in this case. At any rate, there is his statement, that there was—

Mr. Gardiner: I am sure my hon. friend will expect me to correct that one. I did not make any such statement at the Liberal meeting and no one has even reported that I did.

Mr. Drew: Oh yes, the minister did. He was giving them advice on how they should act and he recalled how, when he was in the cabinet of Mr. Mackenzie King, he had argued vigorously against a particular project in which he did not believe and when he went into the house he got up and made such a splendid advocacy of that particular project that as he was coming out someone said to him on the way out the door, "What could you have done, Jimmy, if you only believed in it?" This was a lesson in how to carry out party activities by the Minister of Agriculture.

Mr. Gardiner: It was a lesson which I am sure the leader of a great party in this country often gives, namely, that no one person can be responsible for the setting up of policies for a great party, and I do not presume to do that for the Liberal party. I put forth my arguments in favour of what I think they ought to do, but when I am weighed down by the arguments of 20 others that it is not the right thing to do I get right into the team and go to work.

Mr. Drew: I agree.

Mr. Gardiner: If you do that you should get along better than you have been doing.

Mr. Drew: I am quite prepared to let the record of what has been said here today

stand for itself in that regard. I would point out that, as the Minister of Agriculture has correctly pointed out, I have emphasized on many occasions that a minister of the crown has no right to speak on behalf of himself alone, and therefore I trust he was not speaking on behalf of himself alone when he said:

> We have been doing all right at clearing obstructions out of the way. There were four when we started discussions, and there is now only one left—the question of power development costs.

They know the cost of power development, Mr. Speaker.

Mr. Gardiner: Since the Leader of the Opposition is reading the record he might read the remainder of the record in *Hansard,* the letter itself which was drafted by the government and sent to the government of Saskatchewan. That covers all the points in question.

Mr. Drew: I will follow with what I said immediately after my quotation the last time. I said: "Mr. Chairman, some of us will remember that Scotch song, 'Last night there were four Marys, tonight there are but three.'" In this case he only had one Mary still left and that was power production costs. This government has had the power production costs for a long time. They have the report of their own engineers. If they do not believe in their own engineers then they should do something about it. I am satisfied they have every reason to believe in the accuracy, skill and reliability of their own engineers who reported on this project, who said it should be proceeded with and who have given the power production costs. If that statement is a statement which accurately interprets the position of the government, then this project should have been proceeded with long ago. It should have been announced as a definite project of the government in the speech from the throne this year.

The farmers of western Canada need all the encouragement they can get at this time, particularly the farmers of central Saskatchewan whose problems are the greatest of all in this particular area that would be most closely associated with the development to which I have referred. If any evidence were needed of the fact that the government has been in power far too long, it is the way in which they continue to disregard the assurances given that this project would be proceeded with when they had the appropriate facts. If there is one thing needed to demonstrate beyond all question that this government has been in power too long and is unresponsive to the demands of those who feel that something should be done, it is that they would go ahead so quickly with projects elsewhere in the country and leave untouched a project which they have been dealing with for so long and in regard to which there have been so many generous assurances by the Minister of Agriculture.

If this development were proceeded with there would be challenging and inspiring new developments at Outlook and at other parts of the province of Saskatchewan. Everyone who has had anything to do with the production of electrical energy knows that if there is a firm core of substantial electric production from a hydroelectric source this is fed out into the transmission lines and makes it possible to maintain peak loads at distant points by auxiliary supply from diesel and thermo production in a way that would give an economic level of electricity cost throughout the whole area.

If the project is proceeded with, first of all there will be a use of part of the electricity for the pumping equipment of the irrigation project. There will be power employed by secondary industries that will start up in the area, and there will be further power available to flow out into the transmission lines throughout the province and make it possible at economic levels to carry low cost electricity to many distant points in the province of Saskatchewan.

Very recently a most imaginative plan was put forward in Regina with respect to the planned development of Outlook itself in relation to this project. It is the kind of thing that indicates what imagination, spirit and confidence could do in that area. This plan, put forward after examination by competent engineers and businessmen, recommended that there should be a planned program of development at Outlook, that secondary production should be encouraged to locate there, and that in addition to the new agricultural development that would come in that area a community should be planned of 10,000 or 11,000 people which would be an example to the whole of Saskatchewan and to other parts of the prairie provinces of what can be done by the use of resources of that kind.

One of the reasons why this example would be so important is that if our dreams of the use of atomic energy for the production of electric power come to the fulfilment which now can be reasonably expected, it will not be long, in terms of history, before atomic energy plants in the drier areas of the western provinces and in other parts of Canada could be used as the centre of planned development of both primary and secondary activities. If emphasis needed to be placed upon the fact that this government has been in power far too long, it came last week in a statement by the hon. member for

Kindersley (Mr. Johnson) when he said as reported at page 1296 of *Hansard*:

> The people of western Canada are becoming fed up with the attitude of the government in denying them the South Saskatchewan dam and other things which would improve conditions in western Canada, so much so that they are considering marching on Ottawa. I must say that some of them are thinking in terms of secession.

Mr. Habel: Mr. Douglas censored that suggestion.

Mr. Drew: I did not hear the interjection of the hon. member.

Mr. Habel: Mr. Douglas censored that suggestion. He said it was a foolish thing to say.

Mr. Drew: I am referring to what was said in this house. No matter how foolish it may have been to say, the fact that the word "secession" even crept into this house indicates the exasperation which is resulting from the attitude of this government.

Mr. Coldwell: I have heard some people say the same thing. I do not think it is right and proper to suggest it.

Mr. Drew: Mr. Speaker, I am not suggesting that the ugly word "secession" in any way interprets the general attitude.

Mr. Diefenbaker: Was there not something said about it in Newfoundland?

Mr. Drew: I am pointing out that in addition to the premier of Newfoundland, voices in the west have even talked about secession.

Mr. Studer: Socialist voices.

Mr. Drew: I had not heard that the premier of Newfoundland was a socialist up until now.

Mr. Studer: Socialist voices out west.

Mr. Pickersgill: The premier of Newfoundland never suggested secession.

Mr. Drew: Oh, yes. The visiting hon. member for Twillingate (Mr. Pickersgill) cannot speak for the people of Newfoundland. Mr. Speaker, the fact that this thought—no matter how unjustified it may be as interpreting any substantial sentiment—would even be uttered in this house, indicates that the time has come to recognize the situation that exists. I think perhaps I might make some comment about the use of that word. I have no doubt that the hon. member who used it was being perfectly sincere in his statement that he even heard the use of the word "secession". The hon. member for Rosetown-Biggar (Mr. Coldwell) just a few minutes ago rose to say that he has heard this same statement being made. I believe that this raises another point. Whether or not secession is in fact being talked about by any number of people, there can be no doubt about the burning distrust of this government expressed by many people in recent weeks and months in western Canada. There can be no doubt about the exasperation and there can be no doubt about the belief in western Canada—and particularly in the area that would be served by this great project—that this government is doing little to carry out its implied obligation and its stated obligation to proceed with this development on the South Saskatchewan river.

To my friends of the C.C.F. party and of the Social Credit party I should like to put one thought forward when it is said that exasperation in any part of Canada is reaching the point which they describe. Let us examine what the situation actually is. The only reason that this government is in power with its large and docile majority is the division of the votes of those people who are opposed to this government.

Mr. Garson: They should all join the Tory party.

Mr. Drew: Yes. As the Minister of Justice (Mr. Garson) has just said,—and it was the wisest thing by far that he has said in this house—they should join the Tory party. In fact, that is one of the few statements he has made with which I can heartily agree. I suggest that those of the C.C.F. party and the Social Credit party—

Mr. Studer: Socialist Tories.

Mr. Drew: Mr. Speaker, listen to the interjections from the slow socialists. Listen to the interjections from the state socialists across from us. Listen to the interjections from those who have taken more and more control of the business of this country into their hands and have established more socialism than the socialist party in this house even advocates. If you want socialism, examine some of the projects that have been undertaken under the emergency of war and are still held by this government at this time detrimentally to the interests of the people of Canada.

Mr. Gardiner: I wonder if it ever occurred to the leader of the Conservative party that he may be the chief reason why people do not join it.

Mr. Drew: Mr. Speaker, the statement of the Minister of Agriculture and the silly giggle of the Minister of Justice both illustrate the measure of the contribution that is made in debate in this house by many of the ministers at a time that important subjects are under discussion here.

Mr. Gardiner: At a time when you are dealing very freely in personalities.

Mr. Drew: Mr. Speaker, this reminds me of what happened when I rose the other day to welcome home the Minister of Fisheries (Mr. Sinclair). Before I had finished my first sentence I had "no" from the Minister of Finance (Mr. Harris). I have been directing or trying to direct my remarks to the C.C.F. party and the Social Credit party.

Mr. Gardiner: You addressed many of them to me.

Mr. Speaker: Order.

Mr. Drew: One of the convenient things about the position of Leader of the Opposition is that I can be patient and wait until the ebullient enthusiasm of the Minister of Agriculture has settled itself and he can remain quiet for a while. It is one of the advantages of having time in which to make sure that what you say can be heard.

An hon. Member: How long?

Mr. Drew: When the Minister of Agriculture interjects "how long", may I say that it will be just as long as necessary to say exactly what I started out to say.

Mr. Gardiner: I did not say that. You are getting confused.

Mr. Drew: This is one time, Mr. Speaker, when they cannot drop the guillotine. This is one time when, under our rules, I have the opportunity to say what I started out to say; and I am going to take all the time that is needed in spite of all the barracking that is being done by hon. members opposite at a time when we are discussing a project which they have promised for a good many years but with which they have failed to go ahead. I was directing my remarks not to the Minister of Agriculture on this occasion but to the C.C.F. party and the Social Credit party.

Mr. Gauthier (Portneuf): Again?

Mr. McIvor: Address them to the Speaker.

Mr. Drew: Mr. Speaker, I am going to interrupt my remarks again in view of the noise that is being made on the opposite side of the house and the unintelligible interjections which make it almost impossible for anybody to hear what is being said. The interjections at least suggest that for once hon. members opposite are paying attention to what is being said instead of reading the comic strips in the paper as they usually do.

I do want to say, Mr. Speaker, that I think when hon. members are prepared to seriously talk about the word "secession", as if it should be considered as a serious subject of discussion, they might well consider why this government is in power. I would point out that the genius of the people of the United States, under a constitution which could be as unworkable as the French constitution, has been in the fact that throughout all these years they have adhered to the two-party system.

Mr. Blackmore: It almost ruined them.

Mr. Drew: In spite of my regard for the hon. member who made that interjection, there are a lot of people throughout the world today who are not of the opinion that any substantial measure of ruin has come to the people of the United States.

Mr. Blackmore: Those who are well informed know it.

An hon. Member: They have no Liberal party.

Mr. Drew: As has been pointed out, they have no Liberal party in the United States, and they are extremely fortunate in that respect.

An hon. Member: They have no Tory party either.

Mr. Drew: If some of the hon. members who are making it so difficult for me and other members to hear what is being said would just keep quiet for a moment they would hear the suggestion I would make. If they want to find out about the Liberal party they might examine the Encyclopaedia Britannica and they would find there that this responsible publication says there has never been any definition of the policies of the Liberal party. It is entirely a party of expediency which is prepared to grab whatever it can and hang on to it by whatever device comes to hand.

In so far as the continued period in office of this government is concerned, it has demonstrated very effectively that it has been in power too long for the benefit of Canada and above all for the benefit of the independence of mind of the members who sit behind the government. I have found in the course of debate here that the extraordinary thing has been the number of times the parties to the left and the Conservative party have found themselves, in good conscience, voting similarly on similar issues. The fact is that I have been able to detect very little of the historic doctrine of socialism in many of the arguments that have been made by some of my hon. friends to the left. The real state socialists are opposite; the people who really deny competition and are denying competition are sitting in the government benches.

Mr. Gauthier (Portneuf): The Tory member for Rosetown-Biggar.

Mr. Drew: We even had censorship of the C.B.C. demonstrated very clearly here only last week. We know that no inconvenient competition is allowed in that case. We know that no inconvenient competition is allowed any of the chosen instruments in the air or on the ground. We know that this government has adopted attributes of socialism which most of my friends to the left have not, in my hearing, advocated on any occasion in recent years. On one occasion the Prime Minister (Mr. St. Laurent) described the C.C.F. as Liberals in a hurry. Quite obviously, he knew they were going the same way but they have it in their power to go the whole way and the C.C.F. party has not—probably that has been fortunate for everybody. This government has in many respects outdone what the C.C.F. would have done because the C.C.F. has voted against some of the restraints that this government has imposed.

Then, when we come to the Social Credit party, if they have a discernible political philosophy, then they are more fortunate than anyone else.

Mr. Pickersgill: Than the official opposition.

Mr. Drew: Oh, no; I would not have denied anyone that silly remark because it gave the Minister of Justice (Mr. Garson) another chance to giggle. After all, he is better giggling than in saying some of the things he sometimes does. It really would be illuminating to many of the people of Canada if there could be a record taken of the discussions of this house.

Some hon. Members: Hear, hear.

Mr. Drew: We hear the giggle again. Unfortunately, the giggling cannot be reproduced in *Hansard* nor can some of the silly interjections that are being made. In addition, what cannot be reproduced is the constant flow of noise from the other side which takes the place of reasoned argument.

An hon. Member: You can hear a pin drop.

Mr. Drew: You certainly can hear a pin drop so far as any Liberal speakers on the other side are concerned, and in the discussion of wheat which has been taking place we are still waiting to hear some of those Liberal members from Saskatchewan, Alberta and Manitoba tell this house what they think of the problem of surplus wheat and the marketing of that wheat.

Some hon. Members: Order.

[Mr. Drew.]

Mr. Speaker: Order. If the Leader of the Opposition could continue, as I believe he was doing at the beginning of his remarks, to state his grievance and one which he will probably embody in the form of an amendment later on, perhaps it would be better. At this moment I should like to emphasize that although I believe the Leader of the Opposition did not intend any implication, he did say that during the debates in this house there is a constant flow of noise. I am directing orderly debate according to standing order No. 12. I do not want to take issue with him, but I really do not see any justification for that statement so far as the Speaker of the house is concerned.

Mr. Drew: I do not intend, Mr. Speaker, to let the record be corrected in any way. There has been a constant flow of noise this afternoon which has been going on practically all the time since I started to speak.

Mr. Speaker: Order. The Leader of the Opposition may interpret interruptions in any manner he wishes and and that is his privilege. Referring to paragraph 3 of standing order 12 it says:

> When a member is speaking, no member shall pass between him and the chair, nor interrupt him, except to raise a point of order.

He should not be interrupted. Then, there is the other standing order which has to do with the right of reply and which gives a member an opportunity to explain a material part of his speech which may have been misquoted or misunderstood. We all know that when hon. members are referred to in debate they often do not wait until the end of a speech, as the rules provide, but frequently make the corrections by standing up on some fraudulent question of privilege, or with the consent of the member who has the floor, to put the record straight, so to speak. But there are some interruptions which are generally permitted in this house because it is the spirit of debate. There are interruptions, provided that they are not disorderly, that are allowed. As I say, there are some interruptions that are allowed, and the limit to which they can go is that they are not disorderly. There are also some interruptions that are provoked; there are some that are even asked for, and I do not think that we can deduce from that that the house is disorderly.

Mr. Drew: Mr. Speaker, there have been disorderly interruptions, and I have been referring to those. I would not want the people who read *Hansard*, and who like to know what goes on in the house, not to have some idea of what is taking place here. I have been trying to assist by interpreting

what has been going on here in a way that would be much more effective if there were a record. If there had been a record this afternoon I think it would be very illuminating to many people throughout the country to know just how much some of the noises that have been made opposite had any bearing on the discussions that were taking place here.

Now, Mr. Speaker, I was directing my remarks, during those different occasions when it has been necessary to interrupt them, to my friends to the left. Without in any way suggesting any lack of devotion to their cause I suggest that if they believe—and the spokesmen of both parties to the left have often said the ugly word "secession" is being repeated—that even a small minority are making that statement,—and it is not mine—then I simply leave it to them to give careful consideration to how important it is that this government, which represents a substantial minority of the voters of Canada, should be left in power by the division of votes. That is something which in their minds they could consider, but there can be no doubt about the simple arithmetic of the situation with which we are confronted.

I have dealt with a problem which is of great concern to western Canada; but I suggest that before anyone even intimates that there is any thought in the minds of a handful of people of talking about secession they consider why this situation exists. If you talk about secession you suggest that there is a lack of sympathy for western Canada in eastern Canada, or in the extreme part of western Canada. Mr. Speaker, there has been no evidence of any lack of sympathy with the prairie provinces here in this house. The Conservative party—and I have no hesitation in saying the C.C.F. party and the Social Credit party—have joined for several years in demanding action in regard to this vitally important project in western Canada. If there are those who have reached the point of exasperation, such as that suggested by the terms that have been used, then let them realize that it is not a division of sentiment in Canada on a geographical basis; it is a division on a political basis. It is the government which has failed to show any balance of understanding; it is this government which has failed to meet its obligation to the wheat farmers of western Canada; it is this government which has failed to carry out its undertaking to those in the Outlook area and in the Palliser triangle; it is this government which has failed to co-operate with the governments of the prairie provinces at a time when it has been willing to co-operate with the governments of provinces which are in a much more fortunate financial position. It is no wonder that some people in western Canada look askance at the readiness of this government—the readiness that we have all supported—to proceed with the St. Lawrence project, and then express such concern about the expenditures that would be involved in the completion of the South Saskatchewan river development, a small proportion of the amount involved in the St. Lawrence development.

We have all supported the St. Lawrence development. I had occasion to support it before I came to this house. We all believe in that development, but those of us on this side believe that the people of Saskatchewan, and the people of western Canada, have just as much right to have co-operation from this government in the development of resources of that kind as has the province of Ontario or any other province in Canada. That is the proposition that is before us. The government has agreed in principle. The minister who, on this occasion, has been careful to point out that he does not presume to speak on behalf of himself, said that there were four problems, and that some time ago it was reduced to the question of power production costs. The government knows the facts. They have had the report by the engineers under P.F.R.A., skilled, experienced and competent engineers in whom we have confidence. They have had the report of the royal commission set up to conduct an independent inquiry. They have said that was the only thing that remained. Let them get ahead with this, and in doing so not only carry out a great project that will be an example to the whole of western Canada, but let them show that we are all behind the improvement of conditions in that particular part of Canada.

But once again may I point out that no one in western Canada, in their exasperation with the government, should suggest that this is on a geographical basis. Examine the record of the Conservative party, the C.C.F. party and the Social Credit party in this respect. They have been consistent. Support for this development has come just as vigorously from those in the east as from those in the west. May I say to their credit that the members of the Conservative party from the maritime provinces, where they also are seeking co-operation of this kind, have indicated their wholehearted approval of that great development in western Canada.

So that this may be brought before the house in a manner which permits hon. members to indicate their opinion, I move, seconded by the hon. member for Vancouver-Quadra (Mr. Green):

That all the words after "That" to the end of the question be deleted and the following substituted therefor:

"in the opinion of this house consideration should be given to a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development".

Mr. Speaker: I am going to consider this amendment, but I wish to point out at this moment it strikes me that if this should carry it would indicate that this house would agree with the suggestion contained therein that there should be a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development. Should no province request such co-operation from the Canadian government, where would we stand with respect to an amendment that we would have had carried?

Mr. Drew: The question is already answered, Mr. Speaker, because two provinces at least have already requested it, the province of Saskatchewan and the province of New Brunswick. So far as the fact that this would indicate a willingness to proceed with the program is concerned, I would point out that the word "consideration" is used, and that is the word which is used in every recommendation which involves the possible expenditure of money.

Mr. Speaker: I was not for one moment dealing with the question of the expenditure of money. I was just dealing with the principle that whatever we pass upon in this house should have practical results. The hon. member for Rosetown-Biggar.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I rise to support this amendment if you declare it to be in order. Because I am going to discuss the amendment now before us may I respectfully point out that in my opinion it should be in order.

You have made only one point. You have not raised the problem of the expenditure of money because, as the Leader of the Opposition (Mr. Drew) has said, it merely asks for the consideration of these projects. As to the limiting clause where the government of such province requests the co-operation of the Canadian government in carrying out such developments, we have passed permissive legislation in this house and subsequently provincial governments have been able to come under that legislation at their own request. That, I think, is particularly true of some of our social legislation and it may be true again and if that is true of our social legislation I can see no reason why we should not consider the same kind of arrangement in any other piece of legislation.

I want to say something about the amendment and to comment particularly on some of the remarks of the Leader of the Opposition. When my friend the hon. member for Kindersley said he had heard the word "secession" mentioned I did not think it was going to be played upon to the extent it was played upon this afternoon. I want to assure hon. members of this house that I have heard the word, too, but in very restricted circles. I may say that I have heard that word ever since I have been in western Canada. I heard it shortly after I got there in the days when there was considerable dissatisfaction with some features of the autonomy act, which established Alberta and Saskatchewan, and I heard it after the first world war when the old progressive movement was established and organized in western Canada. I also heard it in the dirty thirties as we sometimes call that period in the west when relief under both governments was so inadequate that many of the people in some parts of Canada were reduced to what I considered to be virtually a starvation existence. And now I suppose we hear it again when the circumstances in some parts of the prairie provinces are almost intolerable; you hear the same suggestion.

But I want to assure the Leader of the Opposition that when my hon. friend used it he meant only to imply that he had heard it and when I rise to support the truth of that submission I want you to understand, Mr. Speaker, that I have only heard it and there is no organized effort to that end.

Mr. Drew: I do not wish to interrupt, Mr. Speaker, but I made it clear—

Mr. Coldwell: Oh, you did.

Mr. Drew: —that it was not extensive and I was in no way putting it forward when I said that even the use of it implied a situation—

Mr. Coldwell: Yes, I understood that, but I wanted to emphasize the fact because I can assure my hon. friends that any secessionist movement in any part of Canada, including Newfoundland, would receive my very wholehearted opposition if it were proposed or attempted.

Well, my hon. friend the Leader of the Opposition suggested we might all join the Conservative party and I notice that the

Minister of Justice applauds the remark. Well, I rather think that the Minister of Justice could find a place in a very conservative, with a small "c", party more readily than almost any other hon. member of this house and I recommend that thought to him. But you know, the odd thing is this. We have the Leader of the Conservative party in this house suggesting to us as hon. members of the C.C.F. party that we join the Conservative party. Sometimes the atmosphere in this house and elsewhere is sort of like Alice in Wonderland because only last week the lone Conservative member of the legislature of Saskatchewan received the nomination of the Liberal convention in the constituency for which he stood.

Mr. Drew: He did the last time, too.

Mr. Coldwell: Well, that makes it all the more embarrassing, —

Mr. Harris: That is the only reason he ever gets elected.

Mr. Coldwell: —that they should nominate a Conservative twice running, and furthermore it shows the bankruptcy of the Liberal party in the province of Saskatchewan; but when I heard the hon. gentleman make that suggestion my mind immediately thought of my own province of Saskatchewan.

Then, of course, there was the discussion of socialism. Well, if the Liberals in this house are content to accept the title of state socialists I have no objection because I can assure you that we have never been state socialists. We have always been democratic socialists and we believe that we have carried out the great liberal with a small "l" tradition that gave rise to the great socialist movements in northwestern Europe and today in many parts of the democratic world. And so I am not unhappy about the Liberals assuming the role of state socialists, although I must confess that I should like to see them go a little further in the direction of the social control and development of many of our great resources.

As a matter of fact, this resolution before us this afternoon would not have been introduced in any parliament by a Conservative, I would imagine, some 20 or 30 years ago because a joint investment program in the development of power resources in any province clearly indicates, I think, that the hon. gentleman quite properly, and I am not saying this unkindly, contemplates the development of these resources and the building of these power plants under some form of public control. Of course the hon. gentleman spoke primarily of a province where one of the great experiments in social ownership of an economic project was undertaken so successfully—

Mr. Drew: By a Conservative.

Mr. Coldwell: —and was done by a Conservative. I refer to the Hydro-Electric Power Commission of Ontario of which the people of Ontario are quite properly very proud. This is an example which has since been followed in many parts of Canada, and I think it will be followed still more in the days to come in other great projects besides that of hydroelectric power.

I would hope that it might be followed, not because I have any ideological preference for it, in the transportation of gas from the western prairies to serve the people of eastern Canada. I am not going to discuss that this afternoon, Mr. Speaker, because we shall have ample time to express our views regarding the pipe line project when the matter properly comes before the house. However, I did want to rise and support the hon. gentleman in what he has said about the necessity for the conservation of water and the development of power from that water in all parts of Canada. May I say that I want to see that done under a public authority and I want to see it done for the benefit of Canada. I do not want to see some of the great resources, the great water resources of British Columbia for example, being developed by United States companies to promote United States industry in the United States. I want to see the great power resources of British Columbia utilized primarily for the benefit of British Columbians and for the benefit of the people of Canada.

Like the Leader of the Opposition, I have seen the wonderful project at Kitimat. I was there last November and I say to hon. members of parliament, all of whom have nation-wide railway passes, that we owe it to our constituents and to the people of Canada to see as much of this country as is possible in order that we may understand its resources and see its development.

I know that one of the assets I had when I came to this house was the fact that I had been an officer of a teachers' organization for some ten years. During those ten years our conventions were held in many parts of Canada and I had usually driven by car to attend those conventions which were held from one end of Canada to the other. In doing so I got to know something of the resources and something of the projects in this country. As I say, I was able to visit power plants like that at Ile Maligne in Quebec and to understand some of the problems of the

projects that were undertaken elsewhere. I can assure hon. members of this house that any member of parliament, with a pass, should during his first term make up his mind that he is going to see this wonderful country in which we live—that sounds like a platitude, as it is said so often, but I really mean it sincerely—and to understand the great possibilities that are here, the great possibilities that I am convinced our grandchildren, those of us who have grandchildren, will see brought to fruition for the building up of this great country and for the benefit of the people who live therein.

The same thing applies to the maritimes. Last year I saw something my hon. friend from Cape Breton South (Mr. Gillis) has advocated for the whole time he has been here. In fact, I think that causeway joining Cape Breton to the mainland of Nova Scotia might have been christened the Gillis causeway. What a wonderful project that was! It may be that other projects along the coast of Nova Scotia will be undertaken sooner or later to the benefit not only of Nova Scotia but of all parts of Canada.

I quite agree with the Leader of the Opposition that, whilst some of these resources seem a long way from our centres of population, like the Grand falls he mentioned on the Hamilton river, today, with new methods of transmission, that power can be economically transmitted. I remember when we were discussing the Shipshaw project in this house, a project which I always thought was a remarkable engineering project though I had some criticisms of the manner in which it was financed at the time—but let that pass. I said at that time it was one of the most remarkable pieces of engineering not only in North America but in the world, and Canadian engineers were to be congratulated on having had the imagination to build that great dam and power plant. At that time it was said that when the war was ended the vast power that was being generated could not be transmitted far enough to keep that plant going as an economical unit. Well, it was transmitted and is being transmitted because from time to time, when the necessity has arisen, the inventive genius of man has been able to overcome difficulties of that description.

I come back now to my own province. I happen, of course, to be the member of parliament for the district in which Outlook is situated and the area of Saskatchewan that would benefit most from the building of that South Saskatchewan river dam. Of course, I think the Leader of the Opposition went a little far this afternoon when he described the area around where the dam site would be, just below Outlook, as desolate and unproductive. As a matter of fact, I drove over it in the last week in July, and I had never seen anywhere a finer stand of wheat than I saw in that area. As the Leader of the Opposition said, the soil is productive if we can only get the water and, as there were copious rains last summer, there was a wonderful crop promising in that area. I use the word "promising" because over the centre of that whole area around Strongfield and right through to Davidson there was a devastating hail storm in the first week in August, and there was 100 per cent damage in that area to one of the finest stands of wheat I saw in Saskatchewan last summer. That soil is productive only when there is a rainfall. I was the member, not exactly for that area—because the boundaries of my constituency have been enlarged on the side of the river to which I have just referred—during the drought period, and I remember what the countryside looked like then. It looked like a desert, as a result of wind erosion. It was unproductive because it lacked water. I remember driving over a farm either in 1937 or the summer of 1938—it was probably 1937—with a gentleman who is now minister of highways in the province of Saskatchewan. We passed over an area of land that had been so wind-eroded that my friend said to me, "here is a piece of land that I believe will never produce another crop." I have seen some excellent crops on that very piece of land since, as I have driven by it, because we have had rain.

The government and some people in Canada may be lulled because we have had good crops in the Palliser triangle for several years past. We have had a period of unusually heavy rainfall over an unusual number of years. I do not think there is any doubt about that. But the day will come when we shall have, as we have had before, years of unusual drought when very little will grow. I use the words "very little" because I think our people in that area lacked much during the years of drought and depression and that there are newer and more efficient methods of production which may to some extent minimize a condition of that sort. But such conditions will occur again, and when they do, in spite of P.F.A.A. payments and all the rest of it—that is, the contributions made by the farmers into that fund—, if water is not available for irrigation, then it will cost this country again a tremendous amount of money to make up the deficiencies in the P.F.A.A. or—as I think is more likely—to give more relief than P.F.A.A. can give to the rural people in that area.

With regard to that dam, my understanding of the situation is that the Minister of Agriculture has gone to the province of Saskatchewan on several occasions, and each time the provincial government has either come close or has accepted the proposals he has made. At no time, however, did the Minister of Agriculture have cabinet approval for the plans he placed before that government. Bit by bit, the Saskatchewan government increased the amounts of money it was prepared to put into that plan, until, if my memory serves me correctly—and I am speaking from memory—the last time they agreed they would be prepared to accept a plan in the neighbourhood of $70 million and that they would undertake the electrical end of this project—a very important end, but not nearly as important as the other end, the irrigation side of it.

After the Leader of the Opposition had begun his address this afternoon, I sent up to my office for *Hansard* of February 21, 1938. I had been in the house two years at that time and I had spoken on the Saskatchewan river on the estimates of the department. Then on February 21, 1938, I moved the following resolution:

> That, in the opinion of this house, the government should place before parliament at an early date plans, or proposals, for a comprehensive and authoritative survey of water conservation, irrigation possibilities and other feasible projects for the permanent rehabilitation of the drought stricken area of western Canada and its people.

That is not so far removed from the sort of proposal that the Leader of the Opposition (Mr. Drew) has put before us this afternoon. When I moved that resolution, Mr. Speaker, I had preceded it with a good deal of investigation. I had made up my mind from what I had learned that the South Saskatchewan river project was a feasible project. I had been to two of our universities and had met outstanding university people who had made some study of such projects. They had convinced me that the proposal was feasible, sound and economic.

I had also gone to the library of parliament and there read the Palliser report and the Hind report, to which very few people ever refer, on the conditions that those two early explorers had found in western Canada in the mid-fifties. I quoted voluminously from them. I am not going to quote from these reports this afternoon. I merely refer to them and say to hon. members who are really interested in this subject: Go to the library, take a look at these reports and see what the condition was in that country in the 1850's or in the 1880's. I am referring particularly to the 1850's, and it is evident that 100 years ago there were many years of drought. Think of what may happen again within a measurable period of time, particularly in view of our demands upon the soil for chemicals and moisture for the production of grain. We may find ourselves faced with a condition of this sort sooner than we think.

I remember that I recounted how a friend of mine had been standing on the banks of the South Saskatchewan that very summer and had noted the vast quantities of water flowing through the parched lands. Although the same is not equally true, it is true to some extent of the North Saskatchewan river. I went on to say, as found at page 638 of *Hansard* of February 21, 1938:

> I have gone carefully over the contour maps of the dried-out area, and as a layman I would say that wide-scale irrigation seems to present no insuperable difficulties, either physical or financial, on the northern side of the Missouri-Coteau divide.

At that time, Mr. Speaker, not only did I believe that irrigation was desirable and feasible but that electrical projects were feasible too. I should like to quote from page 639 where I had this to say:

> The valleys of both the Saskatchewan rivers lie between great banks and there are several places where dams could be conveniently located and power generated if desired.

I went on to refer by inference to the old Pearce proposals of the early part of this century and said:

> If it were necessary to divert some water from the North to the South Saskatchewan river, and to supplement the latter, irrigating the intervening county as it flowed, I believe that could be done.

So, Mr. Speaker, this matter has been before us for years and had been before the house years before I came here. I placed it before the house on February 21, 1938, just 18 years ago tomorrow. I went on to say:

> I have been told by engineers that dams placed at intervals on the South Saskatchewan, south of Saskatoon, to the point at which the Red Deer joins the South Saskatchewan in Alberta, would impound sufficient water to give moisture to the whole of central and southeastern Saskatchewan. I do not know. But that is something we should, as a parliament, find out. The little sloughs and large lakes now dry could be filled, and the table level of subsoil moisture raised again to its old level, while in many years an inch or two of water on the parched land at the right time would ensure a bountiful return for the labour expended.

Whether or not southeastern Saskatchewan could be irrigated, I do not know, but when I examined these contour maps in the hands of a competent hydraulic engineer, to whom I was recommended by some of the people at McGill University, he indicated that it could be done. But undoubtedly between 400,000 and 500,000 acres in my constituency could be irrigated. Undoubtedly the demonstration carried on by the Minister of Agriculture and his department at Outlook demonstrated very

clearly the productivity of the soil. As I have indicated, however, you do not need such a demonstration because if there is plenty of rainfall in that area the soil has been shown to be productive, although what the Department of Agriculture has done is to show that crops could be diversified.

The town of Outlook, situated as it is in a strategic position to take advantage of these irrigation and power projects, could be expanded. I should like to say this further word. We were talking a few minutes ago of transmitting power from some of the great power plants at the coal mines or rivers to the centres of population. I think there is a more important thought, the thought of building up places like Outlook and the many other "Outlooks", if I may call them such, across Canada so that we may diversify our production, so that we may move it away from these great centres of population where there is overcrowding and where, in the event of war, I do not see how the civil defence organization could operate effectively. I do not see how the civil defence organization could, for example, evacuate the city of Montreal, the city of Toronto, even the city of Ottawa or the other major cities across Canada. I am not thinking that we are going to have a nuclear war but in the interests of health, in the interests of building communities with a community spirit where individuals in the community may know one another, the more of these relatively smaller cities we can establish the better it will be for our country in the final analysis.

I am very glad to rise this afternoon and support the amendment. If I were moving an amendment to it I think I might emphasize the South Saskatchewan river project. However, the Leader of the Opposition emphasized that sufficiently in his address. I do not know whether my colleagues will be content, because I have not had a chance to talk to them, but I am going to content myself with supporting the amendment moved and recommending to the government not only the project in which I am particularly interested because I represent the people who inhabit that area but also that a very thorough survey be undertaken with the provincial governments so that there may be a joint development of some of these great projects in the maritimes, in western Canada and in other parts of this great country.

One only has to travel in the northern part of Canada to realize what tremendous resources there are available. I have been told by people who know something about what is going on in our own northland and what has been going on in Siberia and the Arctic regions of Russia that we are 20 or 30 years behind the Soviet union in developing our northern resources and that we should be paying much more attention to the great resources we have in that north country.

Bear in mind the fact that it would not require any joint agreement with any province. These northern resources are in the northwest territories of Canada under the control of this parliament. If the government is unwilling to enter into arrangements with the provinces to develop some of these resources, then let the government do more to develop that great north land. Perchance, now that the iron curtain is being lifted a little bit—and I hope it will be lifted some more—we might be able to get some data on how to deal, for example, with permafrost and some of the other problems that exist in the north country, as the result of the experiments that have been carried out in Siberia and in the northern reaches of Russia.

I want to join the Leader of the Opposition in recommending to the government the consideration of this report. May I say, Mr. Speaker, that is the only way in which I wish to join him.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, we are indeed pleased to have the privilege of going along with this motion. In speaking to it I may say that our group is wholeheartedly in support thereof. I was greatly interested in some of the remarks which the leader of the official opposition had to make, more particularly the statement to the effect that if the party of which I am a member have a political philosophy they had more fortune than anyone else.

I may assure him that we have a political philosophy. The fact is that it has proven to be so good that we have never had to look back. We are one of the few political parties that are not looking back. We are the only political group that has increased the number of governments we have in this country at this time.

He also brought in the word "secession". To my knowledge I do not believe any member of this group during the course of the past few days, when we were discussing the question of wheat, brought that word into the debate. Reference undoubtedly was made to what the hon. member for Kindersley (Mr. Johnson) had to say. I would agree with the hon. member for Rosetown-Biggar (Mr. Coldwell) who indicated that over a period of years the word has been quite frequently used in the west.

Hon. members are probably aware of the fact that I spent much of my early life in Saskatchewan and Alberta and only in recent years became a citizen of British Columbia.

During that time it was not an uncommon thing to hear the word "secession" in the dried out sections in the southwestern corner of the province of Saskatchewan in around Hatton, Maple Creek, Piapot and that area with which I am so familiar, and then carrying on into the city of Medicine Hat. However, I do not believe anyone was really and truly in earnest. It was just an emotional feeling that they were not being looked after with the proper attention. I would say that they used it more for the purpose of directing the attention of the government to that particular problem than with the intention of putting it into effect.

I am satisfied that the people of the far west—and certainly this is so in my own province—would be much opposed to the thought of secession at this time or at any other time. We joined to make the Dominion of Canada a stronger and better place in which to live as a group, not a place in which we might get what we alone desire. However, we expect our fair share, and that is where the rub comes in.

Frequently I have heard constituents of mine and others as well—and I have possibly made a similar observation—say that the governmental friends, the Liberals as a whole, are a fine bunch of fellows taken as individuals but that they hatch some of the worst legislation this country has seen. I did not use the word "worst"; I used a stronger term. In the far west and particularly in British Columbia it seems to us at this time that the legislation is not meant to call for unity in Canada but rather for more of what the leader of the official opposition had to say in respect thereto, namely that it is localized too much in the provinces of Ontario and Quebec and that fact causes a great deal of dissension.

In the course of his discussion the hon. member for Rosetown-Biggar drew attention to the fact that in Saskatchewan there was apparently a Conservative who received both the Liberal nomination and the Conservative nomination, and who is going to run under that banner in this coming election. I should like to remind hon. members and all Canadians as a whole that this is not an uncommon thing in the far west, more particularly in British Columbia. We had there an alliance between the C.C.F. and the Liberals in a good number of cases. In Alberta in the last provincial election they not only had a Liberal-C.C.F. member but they had a C.C.F.-Liberal-Conservative, whatever that is. They did not have just one; they had several of them. They were endorsed by each political party.

It reached this point. If the system of proportional representation proved nothing else, it definitely proved that there was a coalition between the C.C.F. and the Liberal party. In one of the provincial ridings within the Jasper-Edson area I am told that in the vote, of the 1,100 second choices that went from the C.C.F. member, 900 went to the Liberal candidate and 200 to the Social Credit candidate, even though the Social Credit candidate had a majority of over 200 on the first count. I am satisfied that would indicate to the hon. member from Vancouver South (Mr. Philpott), who likes to jeer at others, that he has run as a C.C.F'er, as an independent, as a Liberal.

I do not know whether the Conservatives would have him or not but we certainly did not and we do not intend to. But that should indicate to the people that there is apparently very little to choose between these people who would run under these numerous badges and call themselves particular groups; who can run as socialists or Conservatives and still be Liberals, as was indicated by the hon. member for Rosetown-Biggar.

An hon. Member: Why not speak to the resolution?

Mr. Hahn: I am coming to the resolution. I am just answering some of those things that were suggested earlier. It should not worry you because you realize full well that the things I am saying must be true. We did not coalesce with anyone when we had a minority government in British Columbia; it was not our intention to do so and it is not today nor will it be at any time.

The leader of the official opposition suggested that Canada was divided for political purposes. I do not think he has to repeat that for those in the west. The people in the prairie provinces, particularly west of Manitoba, frequently suggest that they have become the milk cow of Canada. We have heard that suggestion time and again in the past few days and in former debates. In the resolution proposed by the Leader of the Opposition there is much in common with what we have suggested from time to time. His motion reads:

> in the opinion of this house consideration should be given to a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development.

At pages 9 and 10 of the Social Credit manifesto, interestingly enough, we read this with respect to natural resources:

> A Social Credit Canadian government would co-operate with the provincial governments in stimulating the opening up of new areas and fields for discovery and development of natural resources, with a view to establishing national policies of self-sufficiency in the essentials of living. Their general policy would be to encourage

the development of all those resources which can contribute to the economical production of goods within the country.

You see, while the terms are not identical, certainly the fact remains that we believe in complete co-operation between federal and provincial authorities. I have tried to stress that from time to time, not only in connection with this matter but in connection with many others. It was my intention to bring to the attention of this house later the fact that there is not sufficient of this particular type of co-operation. Members on the government side seem to get the idea that because of the huge proportion of members on the government side, they can force anything upon those areas which are suffering in a particular fashion. Despite any representations that might be made, these areas are not being given the hearing they have every right to expect.

This just does not happen in one instance. It has happened in many instances. There is not sufficient co-ordination among the various departments, and I shall refer specifically to the Department of Transport and the Department of Public Works. I have mentioned this before. I see the Minister of Public Works (Mr. Winters) looking at me. I have referred to a particular problem which exists in my area, but I shall refer to it in more detail at a later time because it is not relevant to this particular resolution. However, I would once again say most definitely that we are in complete agreement with this particular resolution, and for several reasons.

In British Columbia we have water power which has not been developed and we have a great need for that particular development. A year ago there was an extensive debate on a project known as the Kaiser dam in connection with the Columbia river development. We received a hearing and consideration from the committee, and we have abided by that consideration. But today we find that British Columbia is in great need of the development of some of its potential water power resources. We have industries that are anxious to come into our province. It is not an uncommon thing to hear that the lower mainland is running short of water power. There is a reason for it. We have an agreement with the northwestern states of the United States for the exchange of electrical energy. Our population has grown so rapidly and we have so many more industries in the area that today we have not sufficient water power developed in British Columbia to look after our own needs.

For that reason we have had a thorough examination made of the water resources of the province. We find that through a diversion scheme on the Columbia river, such as that referred to by the Minister of Northern Affairs and National Resources (Mr. Lesage), we could add approximately 20 million horsepower to our water power development. This, of course, would cost a tremendous sum. I am rather amused when I hear the leader of the C.C.F. suggest that we should not allow United States capital to come in and help us develop that power. Certainly we need that money. The important thing, so far as the people of British Columbia are concerned, is to see that there is work available. We cannot have work available unless we have water power developed within our province.

It might be said, why cannot the people of Canada finance that development? I am satisfied that you realize as well as I do, as do most of our socialist-minded friends, that you cannot build a huge dam for nothing; that is just wishful thinking. Some of these dams cost anywhere from $300 million to $750 million. It takes a great deal more capital than the Canadian public can afford to invest within the country for its proper development. We lack the capital for proper development.

It seems to me that, for that reason, we are going to have to make certain agreements which, at this time, may not appear to be to the advantage of Canada as a whole if viewed on the strictly Conservative basis of Canada first. I would suggest, therefore, that we must have closer co-operation and a better understanding between the federal government and the provinces, as is suggested in this resolution, for the purpose of developing everything we have in this country to the optimum. We speak of war with Russia or the Union of Soviet Socialist Republics. We are not ready for it. No nation is ready for it unless it is working at full speed. Certain of our industries are in a depressed condition, and certain of them have been shut down because they have not sufficient power. We are trying to look after that problem in this section of Canada, I would agree to that.

I would agree to the development of any water power project in New Brunswick or any of the other provinces. Through our premier we have been battling with the Minister of Finance (Mr. Harris) with respect to the development of the have-not areas. They cannot be expected to do anything unless they have the power and the means. Undoubtedly as a result of the development of this project that has been suggested in New Brunswick we will find that New Brunswick will prosper as well as the whole of the maritimes.

But that is not the answer to the problem of British Columbia. We have found it necessary to go out of British Columbia to obtain

capital for these developments. As a result of having to get that assistance from outside the area, we are being told by other citizens, particularly the socialists and those who believe in the Canada first policy, that we must develop Canada as a whole.

It is understandable that if Canadian funds are being utilized in Quebec and Ontario, as apparently they are, then it is going to be necessary for us to get some of that capital from other sources. In order to get that capital we must be prepared to give certain concessions. In British Columbia we have the Kitimat project, which will sustain a population of about 50,000 people. The diversion scheme on the Stikine and Liard rivers would take care of another 250,000 or 300,000, and the Frobisher project would add another 150,000. In other words, as a result of the proper development of these two diversion schemes we would be able to look after approximately another half million people in the northern part of our province.

In recent weeks we have had a proposal made that there should be a dam on the Fraser river, a project which is commonly known as the Moran dam. The Minister of Fisheries (Mr. Sinclair), and quite rightly so, objects to the whole scheme. I would agree with him. Any damming of the Fraser river that will affect our fishing industry in an adverse way should be opposed. We were going to develop the southern end of the Columbia river to begin with, the part crossing the border. We were denied that privilege. As a result the people of British Columbia have been denied the receipt of $2 million annually, which would be their share from that particular project. Foreign capital and Canadian capital have not been prepared to come in since and develop the upper part of the Columbia, by the Mica creek dam, which we were assured should be the first part to be developed. The Canadian government is not doing anything about it either.

I put a question to the Minister of Northern Affairs and National Resources some time ago, and he said that up to that time there had been one request for a licence for a project which is already in operation. That is understandable. The people who have the capital to invest in industry and require power are not interested in investing it where we might suggest. They want to develop the project in a certain region and at a particular place, and they expect the right to do so if they are to invest their money. It is not being invested just for the purpose of doing Canadians a good turn.

Mr. Herridge: We know that.

Mr. Hahn: I would agree with the hon. member who just said "We know that". Certainly I would agree with him that there is not a man in business today who is operating for the good of the people of Canada alone. He is in business to make a profit on his capital investment. And what is more, he is entitled to it. I suggest there is not an hon. member to my immediate right who does not think along the same lines. If he has a farm or anything else he believes that he should have the privilege of making a profit on it.

I heard a lot of squawking in the house the other day over the fact that hogs were being sold at $18 a hundredweight. It was said that the farmers could not make a profit at that price. Let them rise in their places and defend themselves against those particular capitalists. I am satisfied that private industry will give us the answer and will give us dollars and cents, provided that they are ready to accept it on terms that might be more agreeable to both the province of Saskatchewan and themselves.

Mr. McCullough (Moose Mountain): Tie up natural resources; give them special privileges.

Mr. Hahn: Special privileges?

Mr. Deputy Speaker: Order.

Mr. Hahn: I am being carried away by my own enthusiasm. The hon. member suggests special privileges. They ask for no special privileges. The oil companies of Alberta did not ask for special privileges that the government of that province was not prepared to discuss with them. I suggest to the hon. member for Moose Mountain that he study how the oil industry of Alberta was developed, and then compare it with what the Saskatchewan oil industry is doing. At an earlier time I lived in southern Saskatchewan not too far from where the hon. member lives. I lived there when community oil wells were being drilled in the little town of Hatton, up around Many Island lakes. That oil well was never finished.

Mr. McCullough (Moose Mountain): We did not have a C.C.F. government then.

Mr. Hahn: A C.C.F. government was elected, but the property was not necessarily exploited. Those concerned did not go ahead and spend millions of dollars on drilling, with the possibility of drilling a dry hole and then having to turn it over to a government, in which most capitalists fear to invest. Today capital has a right to expect a fair return. I am satisfied that most hon. members will agree with me in that; and what is more, Canadians have indicated, in two provinces at least, that they agree with us. They are prepared to

accept United States investment, British investment, or investment from any other country that we can interest to the extent of coming into this country, provided they come in under our regulations. We are in a position, if we wish to do so, to make laws in respect of any of this capital that might be coming in. I would say that the elected representatives in the provinces and in the federal government should be capable of looking after the interests of Canadians as a whole.

May I return to British Columbia electric power development. We have one major electrical firm in British Columbia known as British Columbia Electric. That company has realized for some time that there is a need for power development in that province. In an effort to have our power developed properly and in their desire to protect industry as well, which is most important, they have set aside the significant sum of $50,000 to discover a means by which salmon spawn can be taken up to the headwaters safely.

Some of our friends have already suggested that capital is not willing to invest money without exploiting the country. Here we have an industry which has been with us in British Columbia for a great many years. Besides the profit motive that the hon. gentleman suggests, this company has the interests of the people of British Columbia at heart, just as any other firm might have, or just as an individual might have; because if the people in our province failed they would have to leave, and if they leave the British Columbia Electric will have to leave, and they are no more interested in doing that than is anybody else. They have indicated their interest by suggesting that this money be made available to the University of British Columbia. The university in turn has asked Dr. Shrum, who is one of the great scientists in that province, to look after this particular project and see whether means can be found to have development in both ways.

I could speak on this subject of the Fraser river project for a long time. I have ten more minutes to go, but at the same time I realize that as many hon. members as possible would like to have the privilege of speaking on this question. I shall therefore give way to the next hon. member.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I am craving the indulgence of the house while I deal with the amendment for a few moments, believing that it focuses attention on a new type of policy which is needed in this country. There have been policies that have been somewhat of the nature proposed by this amendment, but this goes quite a bit further, and I am hoping that the government will see fit to accept the amendment.

[Mr. Hahn.]

We all know that as Canada grows and new developments become possible the need arises to reassess governmental policies. The amendment here, I submit, Your Honour, deals with one field in which there is need for such reassessment. For the purpose of the record I read the pertinent part of the amendment which is that:

> ...consideration should be given to a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development.

You will notice that the method of participation is not set out. We have not attempted to go that far. I think the method is a matter to be worked out in each case, and it will perhaps differ in each case.

The dominion part in a joint program might be by way of a direct contribution, by way of a guarantee or by actually doing some of the work that is necessary in order that the project can be completed. I think the main thing is to make it possible for the credit of the dominion to be put behind the credit of the provinces where developments of the kind contemplated are to be undertaken. That is not necessary, of course, with the provinces of Ontario and Quebec because I understand they can finance on practically as favourable terms as the nation itself.

The main point we seek to drive home in this amendment is that there should be an acceptance of some responsibility by the federal government. Such a policy is needed particularly in the case of rivers flowing over the border into the United States. I say that because last year the government—and I agreed with the action—took a licensing control over the improvements on international rivers by means of a statute which was described as the International River Improvements Act.

The purpose of that act was really to provide for the licensing of international river improvements to ensure that the water resources of Canada are developed and utilized in the national interest. That control, while necessary, does restrict the provinces considerably, and it puts the federal government under some obligation to co-operate in at least a portion of any improvements of these river systems. Otherwise, were that not the case, the federal government would be in the position of a dog in the manger in so far as the development of these particular rivers is concerned. There has been no actual application made in respect of the Kaiser dam, but we all know that the attitude of the dominion government was that it would not permit the construction of that dam.

Now, it is not good enough for the dominion simply to say to a province, "No, you cannot go ahead with this scheme." I submit that the dominion must be prepared to take steps to help by offering some alternate scheme. The difficulty that arose on the Columbia river system last year was the situation which brought about the enactment of the International River Improvements Act. I should like to review for a moment or two the facts with regard to the Columbia river system.

It is a great power river, third in importance on the North American continent, surpassed only by the Mississippi and the St. Lawrence; and I believe that it is of about the same importance as the St. Lawrence river system. Three-fifths of the power that can be developed on that river system is in the United States. That is, it can be developed by use of the Columbia river where it is flowing within the United States boundaries. One-fifth can be developed wholly within Canada and the remaining one-fifth can only be developed by storage of water in Canada for use in United States power plants below the boundary.

The dominion and the province of British Columbia have been making joint surveys for many years having in mind the proper development of this river system in Canada. The Minister of Northern Affairs and National Resources can correct me if I am wrong, but I think the international joint commission has been investigating conditions on this particular river for ten or eleven years.

At the moment one of the great questions which remains unsettled as between Canada and the United States is whether there will be any payment for what is known as downstream benefits; whether, for example, the United States will pay anything to Canada for the storage of water in Canada which is to be used subsequently on the United States side of the line. That question is unsettled.

To this picture we add the Kaiser deal of a year or 18 months ago. Then the act follows which was passed last year, and since then there appears to have been a stalemate develop. I can only plead today as I did last session for co-operation between the two governments, the federal government and the government of the province of British Columbia. This question will never be settled satisfactorily unless there is such co-operation.

I was somewhat disturbed to hear the remarks made this afternoon by the hon. member for New Westminster, because he indicated that he was in favour of United States development of the Columbia river system in Canada. That is the stand taken just two weeks ago by the minister of lands and forests in the British Columbia legislature. I refer to Hon. Mr. Sommers. I have in my hand a press dispatch of his speech, and among other remarks he had these words to say; I am quoting from the Vancouver *Province* of February 7:

> He made it clear the government will still deal with the U.S. for development of a big power and storage dam at Mica creek, high in the Columbia river system.

The Mica creek development is the main development on the Columbia river system in Canada. Conditions are such that that development could be proceeded with in the very near future and here is a provincial minister, the minister in charge of this particular type of work in British Columbia, making this statement. The dispatch continues:

> Mr. Sommers accused members of the federal government of "an appalling act of irresponsibility", and several times described Liberal leader Arthur Laing as the Liberal party's "chief apologist in B.C."
>
> He said the B.C. government's policy for the Columbia is to have the Mica creek dam "built free of cost to the people of B.C.; that we have the control and generation of all at-site power for the use of B.C., and that we would expect delivery of 20 per cent of the gross power generated (additional) on the American side by this storage, delivered cost-free to the province of B.C."
>
> No better plan has been devised, he said.
>
> He declined to specify whether American public or private money would build the storage dam.
>
> What better deal could there be, he demanded. Besides getting the dam free, B.C. would get all the power generated at the dam and 20 per cent of the power the same water—once it had reached the American side—would generate in American hydro plants.

If that policy is put into effect it means that the Puget Sound utilities council will be doing that development. The Puget Sound utilities council is made up of the Puget Sound Power and Light Company, which is a private company operating in the state of Washington; Seattle City Light, a municipal system; Tacoma City Light, another municipal system; Snohomish county public utility district and Chelan public utility district, both of which are public utility districts. Those five power organizations make rather a queer combination, but they have combined into the Puget Sound utilities council, and it is hoped that they would be in partnership with the United States federal government in many of the projects. Possibly the Mica creek project would be one in which the Puget Sound utilities council would be doing the work, with the backing of United States federal government money or of the credit of the United States government.

That, of course, is directly opposed to the plan for the development of the Columbia river system envisaged by General

McNaughton. He, of course, is in favour of this Mica creek development at the earliest possible time. He has advocated a series of other dams, which I need not enumerate today. He has dealt with the question of downstream benefits, and also suggested that it might be possible to divert the headwaters of the Kootenay river into the Columbia river system and allow a portion of the Columbia river water into the Fraser river system. I am not taking a position today either for or against these diversions. There is a great deal of controversy in British Columbia as to whether or not General McNaughton is correct in advocating those two diversions, but his whole plan is to have this work done by Canadians for Canadians.

There we have a direct conflict between the two plans. Apparently the dominion government and the British Columbia government are again at loggerheads over the development of this system. Unfortunately, time is an element in this question. Canada cannot afford to sit back and wait for something to develop. The problem is very pressing. Yet there is no indication whatever that the federal government is moving to meet this situation. The Minister of Northern Affairs and National Resources should give this house a statement during this debate as to what the dominion proposes to do with regard to this question.

Clearly, here on the Columbia river system there is a case for a joint investment program by the two governments. If such a program were adopted the result would be to keep control of the system in Canada. There would be a great saving if the federal government put its credit behind any such development. The plans could be proceeded with much more quickly, and that means that the people in British Columbia would have cheaper power at an earlier date, with resulting benefits throughout the whole economy of that part of Canada. There would be new industries.

This development of the Columbia river system would be the greatest development that has ever taken place in British Columbia. There has never been anything there of this magnitude. It would mean an expansion of towns and an increase in population. Once the whole plan becomes actually effective, I believe the result will be an increase of a million people in the province of British Columbia, and there would be so many more people to consume the wheat that is grown on the prairies, which is giving us so much trouble at the present time. For that reason alone my suggestions to the government today should be acceptable, for then they would not hear so much about wheat in future sessions. It would mean increased strength for the nation as a whole.

I point out that there would be very little risk to the dominion in entering into a joint investment program of this kind. These works, I believe, would be self-liquidating. It is merely a matter of the dominion putting its credit behind the province. Just a few months ago we had a great talk about joint investment programs. When the dominion-provincial conference met in April of last year one of the four subjects set over for consideration in the fall was as follows:

> Public investment and natural resources development.

Under that heading this particular scheme certainly should come. The province of British Columbia sent representatives here in October, and the premier of that province had this to say in his brief. I am quoting from page 5, under the heading "Public Investment":

> British Columbia submits that the federal government should participate jointly with the provinces in investment in capital projects directed to the expansion of the productive wealth of Canada. Such public investment is a capital expenditure warranted by the return which will accrue both to the nation and to the province.

In giving the details of his plans he did not mention the development of power. But I suggest that he be taken at his word, and that the dominion say, "We are prepared to go into a joint program of this kind for the development of the Columbia river power." I submit that with regard to this particular river—and I point out that next to the St. Lawrence it is the most important one in Canada so far as power is concerned—we are at a fork in the road. One way will lead to great expansion by Canadians for Canadians, and I believe that way would be by a joint investment program. The other way we shall have expansion in Canada by Americans, primarily for Americans—make no mistake about that—with Canadians losing partial control and getting only partial benefits. I do not believe there are very many in this house who wish to see a policy adopted which leads to that second result.

It is obvious that the province of British Columbia cannot do this development itself, particularly under the curb of the dominion licensing control which exists under the International River Improvements Act. It is absolutely necessary that there be a partnership. If a joint program can be worked out, nothing would do more to help the Canadians who live on the Pacific slope. I would like to see more co-operative suggestion coming from the west coast, but I hope the dominion government will make an offer to the province of British Columbia to hold discussions. Why

should the two governments remain at arm's length and snarling at each other across 3,000 miles of Canada? Their representatives should be meeting to discuss this question.

With regard to downstream benefits, the Canadian government should be meeting with the United States government, and I see no reason why the government of British Columbia should not have representatives sitting in on those discussions. In some parts of the country, for the orderly development of power by Canadians we must have a joint investment policy.

As I said in my opening remarks, I place these thoughts before the house today, and particularly before the government, in the hope that the policy outlined in this amendment will be accepted. This amendment is not brought forward simply to make trouble for the government. It is brought forward in the belief that a policy of this kind should be adopted by Canada, and I hope it will be possible for the government to treat the amendment in that way.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to make a few remarks on the all-important subject raised this afternoon. Before I begin talking about Columbia river power I should like to comment on what the Leader of the Opposition said, that he wished at times there could be some more accurate way of recording what takes place in the house. I too have thought at times it would be a very good idea to have television broadcasts of what takes place in the house, especially with the general exodus from some parts of the house from Thursday to Tuesday every week. But I am rather surprised to hear the Leader of the Opposition make this particular suggestion, because I can remember that when the chairman of one of our committees had the temerity to introduce a sound recording device to record the proceedings of a certain committee the Leader of the Opposition protested most vigorously.

Mr. Drew: Mr. Speaker, the incident I was referring to is one that should not be left in such form as it has been presented. That was the case where the chairman of the committee, without any word to the committee, without permission from the committee and without the knowledge of the committee, brought a sound recording device for his own use into the committee room.

Mr. Philpott: There is one other thing on which I should like to comment, what seems to me the unwisdom of any hon. member in any quarter of the house ever introducing the word "secession". We all have our political differences, and in my opinion it is not in the national interest for any hon. member in any quarter of the house so much as to suggest that this great nation of Canada is not one union, permanent and indissoluble.

I want to speak for a minute or two today on the question of power which has been discussed in various quarters of the house. Before I do so I should like to make one remark on the much discussed question of the South Saskatchewan dam. I sometimes think we hear too much about the South Saskatchewan dam, just as I sometimes think that we hear too much about wheat in the house compared with their general importance to the whole economy of the country. But I suggest that hon. members opposite, who so often criticize the speech of the Minister of Agriculture at the banquet, certainly cannot have read very carefully what the minister said at that banquet, because he dealt most specifically with the South Saskatchewan dam and particularly with the point that it is just a question of when.

I want to talk particularly today about the matter raised by the hon. member for New Westminster and the hon. member for Vancouver-Quadra. May I say at the outset that I am completely in support of the main point made by the hon. member for Vancouver-Quadra and completely opposed to the suggestion thrown out again by the hon. member for New Westminster of the Social Credit party, in which he suggested that the power resources of the upper Columbia river should be developed for the benefit of the people of the United States rather than for the benefit of Canadians.

Mr. Johnston (Bow River): Don't be so silly.

Mr. Philpott: I think if there is anything, Mr. Speaker—

Mr. Johnston (Bow River): You should not make a statement like that when you know it is not the truth.

Mr. Philpott: I do not wonder that my hon. friends are very much concerned, because I think the whole country will be very much concerned when they find what is suggested in some quarters of the house.

Mr. Johnston (Bow River): Just stick to the truth.

Mr. Philpott: Just as one year ago there was a suggestion to give away one small portion of the water resources of the upper Columbia river under what was known as the Kaiser dam deal, it now appears that the whole cat is out of the bag and the suggestion is to give away the whole vast resources of the upper Columbia under some larger Kaiser dam deal.

Mr. Blackmore: That is not so.

Power Development

Mr. Philpott: I think the fairest presentation of the whole power situation in the upper Columbia region was made by United States Senator Richard L. Neuberger of Oregon, who was sent to the upper Columbia to make a special report for the chairman of the United States senate committee on interior and insular affairs. When Senator Neuberger came to Canada to see exactly what was going on in this part of the country, exactly what was what and who was who, he came to certain conclusions. I may say that among others he visited the hon. member for Vancouver-Quadra. I know he spent a good deal of time with the hon. member for Kootenay West, and I know he attended public meetings. He came to certain conclusions, and I now read his own words as found on page 12 of the report made by Senator Neuberger to the committee:

1. Insistence on maximum development.—The value of the vast hydroelectric power potential lying dormant in the river canyons of British Columbia is well understood north of the border. The people of the province and their representatives have seen the progress which 20 years of Columbia river development in the United States have brought to the Pacific northwest. They visualize an industrial empire for western Canada, built on the full utilization of the water power latent in their portion of the Columbia river basin.

2. Canadian resources for Canada.—Canadians generally would prefer this full utilization to benefit the industrial development of their own Pacific northwest and are averse to the direct or indirect "export" of their water power potential to the more developed power market of the United States. Their convictions in this respect reflect both national pride and a confident long-range view of the future of western Canada.

3. Recognition of public responsibility.—Both in public meetings and in private conversations the view was repeatedly expressed that only the national governments of Canada and the United States can work out a settled program for mutually beneficial upstream development and downstream benefits in the Columbia river basin; and that the dominion and the provincial government in British Columbia, acting in continuing co-operation with the United States government, can best undertake developments of the magnitude of those possible on the upper Columbia river.

He goes on to say:

I spoke at length with members of parliament representing the people of British Columbia at Ottawa, who belong to the Conservative party and to the C.C.F. and with many private individuals belonging to these, to the Liberal, or to the Social Credit parties.

Then he goes on to say that there is a strong desire for Canadian-United States agreement and puts it in this way in his report:

4. Desire for Canadian-United States agreement.—There is sincere concern over the threat to the traditionally close relations between the United States and Canada posed by the disagreement over Columbia and Kootenay river storage and by the possibility of partial diversion of these rivers in Canada from their natural course through the United States.

Then he makes this important point.

Mr. Johnston (Bow River): Mr. Speaker—

Mr. Philpott: He says—

Mr. Johnston (Bow River): On a point of order—

The Acting Speaker (Mr. Applewhaite): Order. The hon. member for Bow River has a point of order.

Mr. Johnston (Bow River): Is there not some rule of the house that prohibits a member from getting up and reading from a document by the hour like this without making his own speech? Surely he should make his own speech and not read something out of some magazine or something else.

The Acting Speaker (Mr. Applewhaite): The hon. member is perfectly right in saying there is a rule of the house against reading from magazine articles, etc., by the hour. At the same time I know of no rule that forbids a member reading short extracts, particularly if they are from a report whether issued in this country or some other. I find myself unable to come to the conclusion that the hon. member for Vancouver South is reading to any greater extent than has been permitted many other members in various quarters of the house.

Mr. Philpott: I will only be reading for another 15 seconds. I have no doubt whatever why it is so distasteful to the Social Credit members of the house. Senator Neuberger went on to say:

Canadians generally have confidence that their position in these negotiations is being represented to the full limits of their national interests under the leadership of Gen. A. G. L. McNaughton, who is respected as Canada's most illustrious soldier.

I therefore submit that the work of the international joint commission is being well carried on for Canada under the distinguished leadership of General A. G. L. McNaughton, and that the interests of Canada are in very good hands. I submit that the first step in this whole power development on the upper Columbia river is to get the report of the international joint commission. When we get that report we will all know where we stand. As long as this government is in power there is no danger whatever that the natural resources of Canada will be sacrificed in the interests of the big business corporations in the United States.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise with the greatest of pleasure to support this Progressive Conservative

amendment moved by the leader of the Progressive Conservative party. I am going to read it so that it heads what I have to say. It reads as follows:

> in the opinion of this house consideration should be given to a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development.

I am delighted that in that amendment the Progressive Conservative party indicated their support for an identical policy which has been proposed in this house by members of this group for many years.

Mr. Lennard: It is what we have in Ontario. We have had it for years.

Mr. Herridge: That is a provincial matter. We are talking about this house. We support this resolution wholeheartedly because it is in line with our basic philosophy and economic principles, because it provides for using our natural resources and the credit of the nation to provide developments for the advantage of Canadians.

Like the hon. member for Vancouver South, I was most surprised to hear the hon. member for New Westminster stress the vital need for bringing in United States capital to undertake these developments. I cannot understand that attitude. The way this thing is done, Mr. Speaker, once United States capital gets control of the natural resources, its capital is raised on the security provided by our Canadian natural resources. We in this group agree —as, I am glad to see, do a good many other members in the house, including hon. members opposite—that we can raise that capital in Canada based on the same natural resources. I was greatly surprised to hear that suggestion, particularly coming from a member of a group which stresses, I think generally, the use of the national credit for the development of the natural resources and to provide the good things of life.

Mr. Johnston (Bow River): You will hear more about it. He stressed it only when you could not get it from the federal government.

Mr. Herridge: As usual, Mr. Speaker, they are starting to wriggle.

Mr. Johnston (Bow River): Not a chance.

Mr. Herridge: A reading of the hon. member's remarks will clearly indicate that he considered it was necessary to get United States capital, that we in Canada were not capable of undertaking those developments by using our own national credit.

Mr. Johnston (Bow River): Let me ask the hon. member a question, Mr. Speaker. I wonder whether he would tell us whether the province of Saskatchewan is getting United States capital to develop their oil.

Mr. Herridge: I am not talking about other provinces.

Mr. Johnston (Bow River): Oh, that is different.

Mr. Herridge: I am talking about the situation that was raised with respect to the development of water resources in British Columbia. Like the hon. member for Vancouver-Quadra, as a British Columbia member and as one who resides in the district and represents a large area in the district, I am particularly interested in the development of the Columbia basin. I have been interested in that matter for a good many years, even prior to the reference of 1944. Since that time I suppose 95 per cent of the investigation of the Columbia river basin has been carried on at the expense of the federal government, and rightly so.

At this point I must pay a tribute to the good work of the officials of the Department of Northern Affairs and National Resources, the Department of Mines and Technical Surveys and the Department of Public Works who have been doing that work throughout the basin since 1945. I am sure it will not be many months until we shall have some idea of the result and some conclusions drawn from that long-term investigation.

Last session the discussion on the international rivers bill in the house, and also in the committee hearing the evidence given by witnesses, created a great deal of interest and a much wider understanding of this question so far as the Columbia river is concerned. Since that time, as mentioned by the hon. member for Vancouver South, we had a visit by Senator Richard L. Neuberger of Oregon. He is a member of the interior and insular affairs committee of the United States Senate. I know Senator Neuberger quite well and was pleased to make certain arrangements for him. I arranged for him to meet certain organizations and to address certain meetings. I made travel arrangements and provided him with the opportunity of examining the situation, and of meeting organizations and people in the district in order to secure material for writing what I think is an excellent report to his committee in the United States Senate.

I am not saying that I agree with all his conclusions, but at least from the Canadian point of view it was written very fairly indeed. He had an opportunity to address a number of public bodies such as city councils, boards of trade, chambers of commerce, committees and other small meetings, and he obtained a fairly good idea of the thinking of the people in the district. He was

greatly impressed by the concern of Canadians he met in the area and in British Columbia generally about the development of this basin, that it should be developed to the advantage of Canadians and that Canadian rights and interests should be protected.

In any event, he was greatly interested in the widespread interest in the question and to what an extent a large section of the public was quite generally informed on it. In addition, in his report he mentioned one significant thing. He said that, although generally speaking all parties he met were suggesting the necessity for the development as the result of the investment of public funds, nowhere did he hear the word "socialism" referred to. He was quite taken with the fact that all parties he met supported these proposals and no one suggested that this was a form of socialism. His visit, I think, was fruitful from the American and the Canadian point of view. His visit was largely the result of United States concern over proposals being made in Canada for the diversion of the Columbia river into the Fraser river.

I want to draw the particular attention of the house to a series of articles written by Mr. Grant Dexter in the Winnipeg *Free Press* of November 12, 14 and 15. I suggest that anybody who is interested in this question should read those articles, because Mr. Grant Dexter has clearly grasped the core of this whole situation. I think the articles are well worth reading by anyone who is interested in understanding the position of the Canadian section of the international joint commission and the position of this government with respect to this proposed development.

Mr. Dexter is one of an increasing number who recognize the splendid efforts that General McNaughton is making to see, so far as he and the commission are concerned, that these developments do take place to the full advantage of the Canadian people.

Now, I agree with the hon. member for Vancouver South. I do not think we can come to definite conclusions. We must have all the facts before us before we can start to draw conclusions. I am sure that those members of the house who are interested in this subject are awaiting with interest the report on the investigation that is being made into the possibility of the diversion of the Columbia into the Fraser. When we have that report on the investigation from the commission, we will be in a position to analyse the situation and know to a greater extent what we are talking about.

This development is of some importance to the Kootenay country generally. It is of particular importance because, as the member for Vancouver-Quadra said, there is a possibility for the development of this power in relation to the great natural resources that exist in the area. I think everyone in this house will recall that members on the government side speaking on this subject last year, and General McNaughton in the committee, laid particular stress upon the fact that every recognition was given to the rights of the province in regard to the development of natural resources and that these developments come directly within provincial jurisdiction. Therefore, after we get the report there is no question about it but that one would expect the provincial governments, like the rest, to study them and make certain proposals.

The hon. member for Vancouver-Quadra dealt with certain proposals made recently by the minister of lands and forests in the legislature of British Columbia. I have a transcript of that speech, and I shall just read from it briefly. The minister says:

> Our policy in respect to the Mica development is:
>
> 1. That we expect to have the storage dam built free of cost to the people of British Columbia.
>
> 2. That we would have the control and generation of all at-site power for the use of British Columbia.
>
> 3. That we would expect delivery of 20 per cent of the gross power generated on the American side by this storage, delivered cost free to the province of British Columbia.

I presume that is the policy of the government of British Columbia with respect to the development at Mica creek at this time. I believe that would clearly indicate they are looking forward to United States capital building this dam.

I am concerned directly because of my interest in this question, but the particular reason I have for supporting this resolution, in addition to its general importance, is the fact that it points to a joint public investment program for the development of our power resources. As the hon. member for Vancouver-Quadra I thought very well said, one method means United States capital and with it a measure of United States control and profits. The other way means using our national credit, based on Canadian natural resources, to develop Canadian natural resources to the advantage of Canadians generally. I believe, Mr. Speaker that if this could be done then a spirit of co-operation would exist among all governments.

Mr. A. J. Brooks (Royal): This is a very interesting resolution that we have before us, Mr. Speaker. We have heard of the great interest and benefit it would be to western Canada in the development of the South Saskatchewan and Columbia rivers, as

well as other rivers in the west. I do not suppose there is any part of Canada which would rejoice more if the government would adopt this motion than the maritime provinces. I myself am very pleased indeed that the matter has been brought before the house, and I sincerely hope it will receive the endorsation of this parliament.

The idea is not new at all. The hon. member who just took his seat stated he thought his party had introduced it first in this house. I do not know about that, nor do I think it makes very much difference. But I know that the idea has been prevalent in my own province for quite a number of years. The present premier of New Brunswick, at a recent meeting of the provincial premiers with the federal government, brought the matter to the attention of that conference.

I should like to read, Mr. Speaker, from a speech that was made by the premier of New Brunswick in the provincial house at Fredericton last year. He said:

The federal government proposed for consideration two subjects:—

This was at the dominion-provincial conference.

—taxation and unemployment. Right here is where the New Brunswick delegation differed. We went to Ottawa primarily to stress the opposite of unemployment, namely employment. The first item on our agenda was, and I quote—

Premier Flemming is quoting from his own agenda.

"Our first proposal is that an important place on the agenda should be accorded to the principle of the federal financial assistance to the provinces for the broad purpose of resource development.

He went on to say that he was thinking of Beechwood and other hydro developments in the province of New Brunswick.

As I say, the idea is not new so far as this house is concerned. I recall that quite a few years ago there was the development of the Tennessee Valley Authority in the United States. This great development was brought about by the federal government for the benefit of the southern states, which were not receiving the attention they should. There was not the industry in that part of the country, and it was felt that what was necessary was some great hydro development.

After the development of the Tennessee valley power, industry did flow to that section of the country. This was true not only of the Tennessee valley project but it was true also of the great northwestern section of the United States. The same idea has been advanced by the commonwealth countries in the Colombo plan. We speak about the necessity for the development of hydroelectric power in India, and we claim also that it is our privilege to assist in that development in Egypt and Ceylon.

Here I should like to state that in my opinion, if such a development is good for different sections of the United States, if it is proper that we as Canadian members of the commonwealth should assist in this development in countries like India, China—perhaps I should not mention China—India, Ceylon and Egypt, then surely it is right that we should do everything possible to develop every section of our own country.

I do not think that in the whole of Canada there is greater need for hydro development than there is in the maritime provinces today. This subject has been discussed in this house on numerous occasions. I myself have pointed out the great dearth of electric power in my own province of New Brunswick. I understand that the average amount of electric power in Ontario and Quebec is one horsepower per capita. In New Brunswick we have a population of about 500,000 people. Our hydro electric development amounts to 136,000 horsepower. Anyone can see the great difference between hydro development in New Brunswick—and the same applies to Nova Scotia and Prince Edward Island—and in the central provinces, and even in the province of British Columbia. We did not feel this lack of development so much until recent years.

In the last two or three years we have discovered great mineral wealth in our province. We hope to develop the minerals of our own province; we hope that smelters will be built in the northern part of New Brunswick so that minerals produced there will not be shipped away to be smelted in other parts of the world, as is being done at the present time. That is the hope of every citizen of New Brunswick, and it has been expressed at different times. Today there is the prospect of further development of our pulp and paper industry.

I might say in that connection, Mr. Speaker, for years the province of New Brunswick has been shipping out of the province anywhere from 500,000 to nearly 1 million cords of pulpwood. We want to process and develop that in New Brunswick. The only way it can be done and will be done is to produce cheap electric power in the province. Today there is talk of a mill being built on the south shore of the province, on the bay of Fundy. Those who are interested in this mill are making serious inquiries as to the amount of power that is available for the production of paper, and also as to the cost of this power.

I could mention many other reasons why we are anxious to have power developed. I have spoken of them before in the house. Defence production is an example. We have not received in New Brunswick at any time our fair share of defence production. We believe that we would have received it if we had the necessary hydro development in the province.

I might ask the question, have we the prospective water power in New Brunswick? Anyone who has listened to hon. members from the maritime provinces debate this question during the last 10 or 15 years will realize that we have. I myself and other maritime members, particularly the opposition members, the former member for Cumberland, Mr. Black; the hon. member for Cape Breton (Mr. Gillis) and other opposition members, have mentioned the Chignecto canal and the power that could be developed from the utilization of tidal waters. We have spoken of the Petitcodiac river and the Passamaquoddy.

I mentioned the Passamaquoddy a few weeks ago. The United States, particularly the state of Maine, is greatly interested in the development of Passamaquoddy. They have asked the Dominion of Canada to join with them in an investigation into the feasibility of developing power at Passamaquoddy. As yet the Dominion of Canada has not indicated whether or not it is willing to assist in this investigation.

I am satisfied, Mr. Speaker, that Passamaquoddy will be developed by the United States if it is feasible, and I am satisfied that it will be of great benefit to the state of Maine, which lies side by side with the province of New Brunswick.

The development of power from the tides is not something altogether new. I remember reading a few years ago that in France they develop power from the tides. On the Severn river in England there is a power plant which gets its power from the rise and fall of the tide. That is also true of China. There is no place in the world that has such high tides and tremendous power potential and such tremendous rush of water as has the bay of Fundy in New Brunswick. These are just some of the possible developments that could take place in our province, some of which have been mentioned many times, I fear to very unsympathetic ears as far as the federal government is concerned.

I come now, Mr. Speaker, to a development which is under way at the present time, namely the Saint John river development. The development which is under way at the present time, namely Beechwood, is only a part of the great possibilities for development of the Saint John river. This matter came up in the house a short time ago, and I was very disappointed to hear the Minister of Northern Affairs and National Resources—I should like to get his attention for a moment—say that it would not be the policy of the government to assist in the development of Beechwood. I should like to quote from his remarks at that time. This question was asked by the hon. member for Gloucester (Mr. Robichaud), as reported at page 558 of *Hansard*:

> Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Has the government given consideration to the possibility of co-operating in the over-all power development of the Saint John river system in New Brunswick?

I may say the over-all power system means the development of Beechwood, the same as it does in other parts of the Saint John.

Mr. Robichaud: It means storage.

Mr. Brooks: It means storage, yes.

Mr. Robichaud: First.

Mr. Brooks: No, not at all. Does the hon. member mean to say that in order to develop Beechwood they have to develop storage in Maine and in Quebec?

Mr. Robichaud: Absolutely.

Mr. Brooks: I would like to place the hon. member's opinion against the opinion of the very best engineers in the United States and Canada who have investigated this. I shall call attention to that in a few minutes, Mr. Speaker.

This has been the attitude of hon. members opposite. It is also the attitude of the opposition in the province of New Brunswick. We need the development of Beechwood in the very worst way, but because they think it will bring some credit to Mr. Flemming, the premier of New Brunswick, they are trying to discredit it in every way they possibly can. I would ask those hon. members to be very careful and read over the report of the international committee on the development of the Saint John river and the development of Beechwood. I was discussing the attitude the Minister of Northern Affairs and National Resources took concerning the development of Beechwood.

He said, as reported at page 558 of *Hansard* of January 26:

> All the way along there has been a constant exchange of views among provincial and federal technical and financial officials.

This is correct; there has been an exchange of views. He continued:

> These discussions appeared to indicate that the development to the end of the Beechwood phase could be carried out by the province of New Brunswick without jeopardizing its credit.

This is the point I wish to make, Mr. Speaker. It is not a matter of jeopardizing the credit of the province of New Brunswick; we did not expect the development of Beechwood to jeopardize our credit. What the province of New Brunswick was asking for was assistance so we could get cheaper power. That is what jeopardizes the introduction of industry in our province. We did not in any way feel nor do we feel today that the development of power is jeopardizing our credit. The minister went on to say:

> It appears, however, that future developments in the province are likely to require additional power on a substantial scale. This larger future development has been represented to the federal government as likely to be beyond the capacity of the province of New Brunswick to finance on its own.

Beechwood is a part of the whole development of the Saint John river. There is no reason in the world why the federal government, if it is going to give assistance in the development of the Saint John river, could not give assistance to the whole scheme and not pick out parts of it and say we are doing this because it might jeopardize the finances of the province.

This attitude is jeopardizing our prospects of getting industry in that province. It is jeopardizing our prospects of being able to build a smelter in the northern part of our province, for instance. It is jeopardizing our prospects of developing our great pulp and paper industry there. I would ask the Minister of Northern Affairs and National Resources to reconsider this matter, and I am sure he will have the very grateful thanks of the people of my province if he does so.

There would be some difficulties and it would take some time to develop the whole of the Saint John river; there is no question about that. Some hon. members will recall that our good friend the former member for Temiscouata had his people so stirred up around lake Temiscouata that it would take considerable time, I am sure, to get the rights that we require in Quebec, for instance, in the development of other phases of the Saint John river. We have to get agreements with Maine. This will all take a long time, but we in New Brunswick cannot wait for all these things to be settled. We can produce power at Beechwood now; we have the power plant almost constructed there, and that is where we need immediate assistance from the federal government. This is not something far off in the future.

I might say, Mr. Speaker, that the whole scheme of developing the Saint John river has already been investigated by the engineers of the international joint commission, and they have already made a report. I would like to quote from the report they made, and it brings us to the question of the selection of Beechwood. I am quoting from a book entitled "The Background of the Beechwood Hydro Electric Power Development" dated March 25, and in this they quote—

An hon. Member: By whom was it prepared?

Mr. Brooks: It was prepared by the hydro engineers of New Brunswick, but in it they quote from the report of the international joint commission. I quote from page 18 of this report:

> The Beechwood site was selected for inclusion in all initial plans of development by the engineering work group and the engineering board.

I might explain that the engineering work group and the engineering board were appointed by the international joint commission. They represented the opinions of the best hydro engineers in the United States and the best hydro engineers we could find in New Brunswick. It continues:

> Economic studies indicated that the project is more attractive than other power projects which were investigated. This site has the advantage of being below the mouth of the Aroostook and Tobique rivers, the largest tributaries of the Saint John river. Also the site will benefit from the storage which has been developed above it—

In this connection I might say that my hon. friends are saying we just get the natural flow of the Saint John river, but that is not true. As these engineers indicate, besides the natural flow of the Saint John river we also have benefit from the storage which has been developed above it; and as the report says:

> —this amounts to about 400,000 acre feet.

Mr. Robichaud: Was the hon. member there last summer?

Mr. Brooks: What do you mean by "there"?

An hon. Member: Beechwood.

Mr. Brooks: I know what the hon. member is coming to. There was a dry season not only in New Brunswick but all over Canada, and there was not a hydro development scheme anywhere in Canada that was not suffering from lack of water last year. That is not a valid argument, to my way of thinking. The report continues:

> Present storages above Beechwood are 105,000 acre feet on Temiscouata lake and owned by Gatineau Power Company; 82,000 acre feet on the

Aroostook river at Squa Pan, owned by Maine Public Service Company; 17,000 acre feet on Green river, owned by the city of Edmundston; and 187,000 acre feet on the Tobique river, developed by the New Brunswick Power Commission.

Mr. Speaker, that storage of 400,000 acre feet is not the natural flow of the Saint John river. That is what these engineers say the Beechwood power would receive the benefit of.

Some hon. Members: Six o'clock.

The Acting Speaker (Mr. Applewhaite): I think it is a convenient time for the hon. member to adjourn for the recess.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Brooks: Mr. Speaker, at six o'clock I was discussing the development of Beechwood on the Saint John river and the general development of the Saint John river for hydroelectric purposes. I was stating at that time that the Beechwood development had been approved by the international joint commission, as well as outstanding engineers employed by the international joint commission from the United States and Canada, and also the engineering works group, which consisted of outstanding citizens from both the United States and Canada. This is a quotation from the report of the international joint commission:

The New Brunswick Electric Power Commission will be faced with a shortage of power in 1956 unless early steps are taken to deal with the situation.

As we all know, early steps were taken in the form of the development of Beechwood by the present government of New Brunswick. It is also stated in this report:

If the economy of the province is to grow with the general growth of Canada as a whole, New Brunswick must be assured of future supplies of power at costs which are attractive to industry.

That really is the crux of the whole matter. The reason we have not been able to develop in New Brunswick is that we have lacked power. We shall develop in the future only if we have power at such a cost that it is attractive to industry. That is why appeals have gone out from the province of New Brunswick to the federal government for assistance in this matter. The engineering board of the international joint commission also stated that it—

—sees no objection to the construction of a plant at the Beechwood site, as it would be a major part of any ultimate plan of development.

These statements do away with the argument we have heard that Beechwood should not have been developed until there was general development of the whole Saint John river area. At the opening of my remarks I dealt with the statement of the Minister of Northern Affairs and National Resources. I am sorry he is not in the house.

An hon. Member: Yes, he has been here since eight o'clock.

Mr. Brooks: I beg your pardon. I should have said that he is not in his seat. The report of the Power Corporation of Canada Limited estimated:

. . . that power would be available at Beechwood and before transmission for 5·4 mills per k.w.h. if interest costs were 5 per cent and that energy cost would be reduced to 3·1 mills per k.w.h. if capital was available at 2½ per cent interest.

There is the very point that the people of New Brunswick, through the government of New Brunswick, are trying to make to the parliament of Canada. It is not that the finances of the province are going to be jeopardized, as the minister stated here some time ago, but the point is that we cannot encourage industry that is in the province and we cannot attract outside industry unless we can obtain our money at a cheaper rate of interest. We are not begging anything from the federal government. We are simply asking it to back our bonds so that with the credit of the dominion government behind us we may be able to borrow money at a cheaper rate of interest, which means all the difference between cheap and dear power in the province of New Brunswick. I want to impress that on the government, and particularly on the Minister of Northern Affairs and National Resources.

As I said before, the development at Beechwood was approved by those people I mentioned. It was also approved by the Power Corporation of Canada Limited, by H. G. Acres Company Limited, and by the Shawinigan Engineering Company Limited. Those are three outstanding firms of consulting engineers in Canada. I want to say to my hon. friends from New Brunswick who belong to the Liberal party that not one of these firms I have mentioned, nor any creditable hydroelectric engineer in the Dominion of Canada or in the United States, has said that before Beechwood is developed there must be development and storage in Maine and the province of Quebec. If any of those members speak later I would be pleased if they would give the names of any outstanding engineers who have ever made that statement.

At the outset of my remarks I spoke about the need. I know it is not necessary to develop that point here in this house. It has

been mentioned too often, and every hon. member is well aware of the situation in the maritime provinces as far as the requirements for hydroelectric development are concerned. Those provinces are starving for cheap hydroelectric power.

As for the advantages, I have also mentioned them. Power at a reasonable price would serve as a stimulus to all the province's industries at the present time. It would increase the industrialization of that province. It would help to develop our mineral deposits. It would help to develop further our pulpwood industry. Another thing of very great importance to us in New Brunswick and the maritimes is that it would give employment to our young people and keep them at home. As I say, this is a very important matter as far as we are concerned. The tax revenues would be increased, as far as New Brunswick and the other maritime provinces are concerned.

There are other benefits. With the discovery of over 100 million tons of valuable ore in New Brunswick, it would give the province the greatest opportunity for economic expansion in its history. These mineral deposits can be developed in such a way as to be of maximum benefit to the people of New Brunswick only if there is a large surplus of relatively cheap electric power available. At the present time there is no surplus available, and the price of our power is too high. It is several times the Canadian average.

The chief reason for the high cost is the high rate of interest paid by the provincial government in borrowing money. A large surplus of relatively cheap power can be made available, which would develop the hydroelectric power potential of the province, with financial assistance by the federal government. There is no question at all about that.

Perhaps I might mention some precedents for consideration by the federal government as far as our problem is concerned. I think I could make a case in regard to the St. Lawrence seaway. We get very little, if any, benefit from the development of the St. Lawrence seaway. We in the maritime provinces will have to pay our full proportionate share of that development.

An hon. Member: Nonsense.

Mr. Brooks: No nonsense about it. We hear so much about the trans-Canada pipe line. What benefit will the maritime provinces receive from that? Let no one say it is nonsense to say that we will receive no benefit. As a Canadian from the maritime provinces, may I say that we do not oppose these developments in other parts of Canada. We are glad to see the development of Canada, but we feel that we are entitled to some compensation when our money is paid out for the benefit of other parts of Canada and we receive absolutely no benefit.

Take the crown corporation that is being formed for the commercial development of atomic energy. It might very well have been established in the maritime provinces. We thought it was coming to the province of Nova Scotia. New Brunswick would not have objected to that, but instead it is being established here in the province of Ontario where there is a surplus of practically everything that goes to develop a country.

As I say, these are arguments that we could use, but we do not intend to do so. We hope that out of pure justice to our own province and the other maritime provinces the government will give these matters due consideration.

Finally I wish to say that we are most sincere about this matter. I hope that all members from New Brunswick and the maritime provinces generally will add their voices to those who have already spoken. We are all interested because power is the key which will bring prosperity to that section of the dominion.

In the United States attention is being paid to what may be called depressed areas. We are not calling the maritimes a depressed area, but we might say that they are a neglected area. In the southern states of the United States and even in the New England states their atomic energy commission is locating many of their atomic reactors for commercial purposes. They are doing so in the New England states to bolster the economy of that part of their country. Why should these things not be done in Canada? We do not want a concentration of industry and people in the central provinces while on the extremities people are without industries and employment. It is not a healthy situation, and it is one which I believe can be corrected if the government will give serious consideration to the matter.

The proposal contained in the amendment is a very advanced step which would do a lot to improve the situation as far as that part of Canada is concerned. I do not think I need say any more, but I do hope the government will give every consideration to the amendment now before us. If they do I am sure they will be doing something which will be of great benefit to the part of the country from which I come.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, the amendment moved by the

Leader of the Opposition is broad and all-inclusive. He was not parochial in his presentation. If you look at the order paper I think you will find there is a great deal of interest in this particular subject, as indicated by resolutions there which could very well bring about a discussion similar to this. They do not call for a public investment program, but they do suggest that many members of the house are interested in this subject.

There are many things the Leader of the Opposition had to say with which I agree, and there are some with which I do not agree. I would point out, Mr. Speaker, that the amendment is not asking for something that is not already being done by the federal government. In his amendment the Leader of the Opposition asked the federal government to consider the advisability of establishing a development fund that might be used province by province across Canada for the development of power, provided the province concerned is willing to co-operate.

At the present time the federal government is developing power for the province of Ontario through the St. Lawrence seaway project and is paying a great deal of the cost. The Prime Minister (Mr. St. Laurent) shakes his head. It is alleged, and we hope it is so, that the state of New York and the province of Ontario will pay the full shot for developing the power project at Niagara Falls which will be linked with the St. Lawrence seaway project, but I would point out that the St. Lawrence seaway project is being carried on by a federal government agency, the St. Lawrence seaway authority. The administrative and other costs will certainly be borne in the final analysis by the federal government.

I do not think the province of Ontario will pay the full cost of the power development, in view of the fact that the development is connected with the St. Lawrence seaway authority, which is a federal government project. All the negotiations were carried on by the federal government. All the amendment asks is that similar consideration be given to the same kind of development in other provinces which are willing to co-operate with the federal government.

The different speakers who followed the Leader of the Opposition of course dealt with the problem as it applies to their own particular areas. That is what members are elected for, to represent the people who elected them to the House of Commons. The Gordon commission established by the federal government has made a trip across Canada and will be in Ottawa shortly. The commission is studying the resources of Canada and how best we can apply ourselves to their development. They are gathering a lot of information, and there is a lot of information available because this is not the first time this kind of job has been done. I think the amendment and the discussions are timely, because the Gordon commission will be in Ottawa within a few weeks, according to the press, and this debate will give the Gordon commission some indication of what is in the minds of members of the house with respect to the development of our resources.

In discussing the maritimes this afternoon the Leader of the Opposition stated with respect to the coal resources of the maritime provinces, and referring particularly to Nova Scotia, that there was a possibility of gasification of the coal mines and the utilization of the energy for power purposes. I do not agree. Gasification of coal mines has been tried for a good many years and has proved a failure. It was tried in Russia. It was tried in Britain and the United States.

I want to tell him and the house that in so far as the coal mines of Nova Scotia are concerned—and most of them are on the island of Cape Breton—it is not possible to carry on that type of development of energy. To begin with, these mines are deep; they are submarine mines, and they are very gassy. The gasification of coal means that you set the mine afire and extract the gases and the energy from the coal. If you set one of those mines afire on the island of Cape Breton and sealed it off, with the gases that are generated by that type of coal you would likely blow that island off the map. That would be the net result of gasification in the coal mines of Nova Scotia. That procedure therefore is not any solution.

But in addition to that, if you went into that type of thing it would mean the scrapping of the industry as it is today. It would mean the displacement of all the men there. It would mean you would have to utilize—if it was a success—the coal for power purposes. What are you going to apply it to?

I think all of the information needed is available with respect to power in the province of Nova Scotia. We had here only a year or so ago the Christie report made to the Department of Mines and Technical Surveys and to the coal board. Mr. Christie is a thermal power expert who was brought in from the United States. He made a survey of that whole area and drew up a rather comprehensive report. I have the report here but I am not going to read it. However, that report indicates that there is available in the province of Nova Scotia much more power than the average person thinks there is. His report is clear on that point.

I should just like to point out that on the island of Cape Breton, for example, there is no shortage of power. There is a shortage of industry. The Dominion Coal Company have a thermal power plant which operates at Glace Bay and which, I am informed, is putting power to the switchboard as cheaply as any hydroelectric outfit in Canada. That plant is expanding all the time. They have been adding unit after unit. They are making another expansion now. They are running their pole line all the way up to the strait of Canso, that is some 90 miles, and they can and will supply power in that whole area. I am reasonably sure that in time that plant will cross the strait of Canso and go over on to the mainland. There is no shortage of power in that particular area. It is thermal power, and it is being generated as cheaply as any hydroelectric power because in this plant you can burn splint, the stuff they throw away. It can be utilized for energy purposes in these thermal power plants.

Mr. Christie made a couple of fairly good reports. I might say they are rather radical reports in some respects. In this report he said many of the things that I have been saying in the house for some considerable time. For example, at page 7 of the report he has this to say. I do not intend to quote much from his report but I would just like to read this because the Leader of the Opposition this afternoon said that when the St. Lawrence seaway project was discussed in this house it was unanimously accepted by the house. It was not unanimously accepted. I was the lone person in this house who opposed it on the ground that I did not consider it progress to support a project that was going to scrap the main base of the economy of Nova Scotia. On that particular point Mr. Christie has this to say at page 7 of his report:

> The construction of the St. Lawrence seaway will permit ore boats to carry coal cargoes at low rates to Montreal and Quebec on their return trip from lake Erie ports to Seven Islands. This loss of market will reduce coal mining in Nova Scotia by a possible one-third. Such a reduction would prove disastrous to the coal industry. Widespread unemployment, loss of business, and decreased consumption of electricity would result from necessary mine shut-downs.

I said that when I was discussing the St. Lawrence seaway project; but here it is said by an impartial, independent person from the United States who makes a survey of the province, who looks at its economy and its resources and its possible development, and who is working for the federal government and the provincial government. He sees that picture with respect to the St. Lawrence seaway and the loss of coal markets exactly as I see it.

I merely mention that report to show that. As the hon. member for Royal said, I did not say I was unalterably opposed to the seaway, but I said we should like to get some of the advantages with respect to power development and auxiliary industry that might flow from that development. The hon. member for Royal suggested that we are not opposing the pipe line. However, when Alberta gas comes into Quebec I know it is the end of our main market in that particular area.

The discussion would suggest that the development of Nova Scotia was retarded because of the lack of power. It is not true that there is lack of power. There is now developed in Nova Scotia power that can be used by any industry that may come in there. That is the reason I am supporting the resolution. Suppose, as is suggested by the resolution, the federal government set up a fund not only for the development of power, because the development of power presupposes the development of industry. It is just not enough to develop power and let it stand there. To be beneficial it must be applied to something, and that something would have to be auxiliary industry in the province of Nova Scotia.

I would suggest this, and I hope the Gordon commission are considering it. The federal government spent a great deal of money in developing the Canso causeway, and I appreciate that fact. I said previously and I still contend that it is going to bring results to the province of Nova Scotia and the island of Cape Breton. In putting that causeway across the strait you developed one of the best natural harbours in the world open to the sea. It is the ideal spot for a pulp and paper development. There is all kinds of pulpwood in the area right at tidewater. If there is any place in Canada where our own pulpwood could be processed most cheaply and where it should be processed, it would be at that very spot. The establishment of the causeway created that site for a development of that kind. I hope it will be utilized in the future for that purpose.

However, we must remember this, as other hon. members have suggested. Many of our basic resources are getting out of our hands. Pulpwood is one of them. Most of our pulp has been going across to the United States at an extremely cheap price. It is coming back here as newsprint at $90 to $100 a ton. It is not being processed in Canada. In sections of Nova Scotia some United States companies have leases on huge forest reserves which

they are using for pulp purposes. The situation has reached the point where Nova Scotians are obliged to negotiate with a United States company in order to buy back some of their own pulpwood.

Of course, if a mill is to be established in this country, the location of that mill is not decided in Canada because the pulp and paper industry is largely in United States hands today to the extent, as I said before, that the uncut reserves are leased to them over a long period of time. That is true not only of pulp and paper but it is true also of automobiles, aluminium, nickel and the gold mines. We are losing our hold on our basic resources. It is true of iron ore and of steel to some considerable extent.

So when we are talking about developing our own resources we have to take a look at the leases we have granted to capital from the other side of the border. We do not have the say any more. In my opinion we have done a bad job of collective bargaining in farming out our natural resources. People talk about secession and going over to the United States. They do not have to go to the United States, because the United States has come over to them and in many ways they are calling the shots.

I know there were negotiations by the provincial government for some considerable time in connection with the pulp and paper development around Canso. It was hoped that a mill was going in there, but when the decision was made it was put somewhere else and that mill is going somewhere in Halifax county, although the best site was around the strait of Canso.

There is an organization functioning in the maritimes today that I consider one of the best developments since confederation, and that is the Atlantic economic council. Within the last few days I received one of their reports. They are studying this whole question. The governments of the maritime provinces have formed this economic council and staffed it with very able personnel. They are now studying the possibilities of developing the resources of Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island, and how these provinces can best complement the economy of the other provinces. They have a committee on each of these resources, and on the question of power the committee make it quite clear in their report that they agree with what I am saying now so far as Nova Scotia is concerned. They are gathering a lot of data on this particular question of power. The committee say the power is there, and it is just a matter of getting some industries into the province to apply it.

[Mr. Gillis.]

There are things the government could do without this resolution, but they have not done them. For example, this government knows, and the provincial government knows, that the coal industry has lost about 3,000 people in the last couple of years. You would imagine that the government would be thinking there has to be something in that particular area to take up the slack. I appeal to the Minister of Public Works (Mr. Winters).

For example, there is a fish plant at Morien which keeps a whole community of 3,000 or 4,000 people. It is the only industry in the area. If the breakwater which is there were expanded, and it would not cost a lot of money to put it in good shape, much greater room would be provided for boats. The basin comes right in from the sea and the storms are quite heavy. Larger boats and more boats could be used for fishing in that area, and the fish plant could be expanded greatly. I looked in the estimates but there is nothing for that purpose. You would not have to have any extra authority, because that is the prerogative of the Department of Public Works. The industry could be expanded because there is a market for those products.

Second, the town of Glace Bay is a town which has been hit by the closing of these mines. It has a population of 28,000 and there is a huge investment in churches, schools, and that sort of thing. There is a harbour there that is not in too bad shape. It is one of the best swordfishing grounds and during the season boats come in there from Lunenburg and all over Nova Scotia and Newfoundland. The harbour is small but it could be widened and deepened. It could be built up to accommodate twice the number of vessels that fish out of there now. This is the biggest swordfishing industry in North America and the catch goes to the United States, where it is a very expensive dish. This town has lost thousands of its population because of the closing of the mines.

The Minister of Public Works could very easily have said, well, there are two fish plants there that employ 600 to 700 people. The harbour does not accommodate very big boats, but if it were widened and dredged you could expand these fish plants so they would take up some of the slack from the waning coal industry. What is needed in most industrial communities is a source of auxiliary income.

In these homes around the steel plants and coal mines you will find two or three young women who cannot find employment in the community. Most such young women are employed in these fish plants and thus bring extra income into the home to supplement what the father is getting, perhaps from

unemployment insurance. There may be one man working in a home and supporting a family of eight or nine, many of them grown young women. The expansion of the breakwater at Morien and the widening and deepening of the Glace Bay harbour would do exactly the things I am saying. You do not have to have any extra authority to put something in the estimates of the Department of Public Works to cover those two items. I have talked about this for two years, but there still is not anything in the estimates.

As I said before, the Atlantic economic council is doing a good job. In time I believe we are going to be told through these organizations that we cannot continue to look to our Ontario and Quebec markets for the products of the maritime provinces. We will be told we have a market within the maritimes and we can trade within the maritimes. If that development takes places, then this part of the country is going to lose the lucrative market down there, but the maritime provinces are going to benefit 100 per cent. That is the purpose behind the formation of the Atlantic economic council and the industrial development boards. There are three of them, one in Glace Bay, one in Sydney and one in Antigonish county.

I realize that in time the basic industry of coal is going to peter out, especially when the gas line goes into Quebec and the Canadian National Railways completes the dieselization program. Something will have to take its place. I believe that pulp and paper at Canso is a natural. I believe that the expansion of steel production at the Sydney plant is the next step. I believe that in addition to turning out raw steel at that plant there should be a considerable amount of the steel fabricated in that area.

You know, just recently the capacity for raw steel at Stelco was pretty well taken up. They were shipping the raw material down to Sydney, and I suppose you were paying a freight subsidy on it. Dosco was turning out ingots and shipping them back up to Stelco again to be fabricated, and I suppose you were paying another subsidy on dragging them back to Hamilton.

I believe that Dosco is now considering the expansion of the steel plant at Sydney. It is a bit late; it should have been done a long time ago. Over the past 16 years many of us in the house have been urging that, because they have their own iron ore deposits at Wabana, Newfoundland. They do not have to depend on anything else. They have huge deposits there and all kinds of modern equipment for taking it from under the ground. It is only 90 miles from Newfoundland to the Sydney plant. They have their own coal mines next door to them. All the raw material necessary to turn out steel is right there. If there is any place in Canada where the manufacture of steel and steel fabrication should be going on at the cheapest possible rate it should be right in the Sydney area.

The United States steel people come all the way down to Quebec and drag their iron ore up from there to the head of the lakes. Dosco have their own ships, their own coal mines, their own gypsum deposits, their own limestone deposits; everything that goes into the manufacture of steel is right there at their back door, and they own it all. Why more raw steel is not made and more fabrication turned out there is a mystery to me. Perhaps there is a little too much United States capital in the steel industry today. I know four of the board of directors of Dosco are pretty big United States money men. They may have some influence in preventing the development of steel in that area, because perhaps it would interfere with their markets.

I trust the federal government will give some consideration to the setting up of this kind of a fund. It does not seem to me that there is any other way we are going to be able to work the resources—what is left of them—in this country. I cannot see any Canadian investors rushing in to develop areas like the iron ore deposits at Ungava and Labrador. They do not seem very anxious to get into textiles. That field is pretty well controlled in the United States. We do not seem to have people in this country who have enough confidence in the country to invest their money. The people of the United States are gamblers. They are doing it over there, and they are getting quite a control over our natural resources.

I think the discussion is timely. I am in hopes that when the Gordon commission reports we shall not treat it as we have treated other reports of commissions. The Sirois report was brought down in 1940. There were volumes and volumes of it. I do not think any hon. member could ever read it all. I picked out the parts that pertained to the maritime provinces. The Sirois report was a new constitution for Canada. It had everything that was necessary to the rehabilitation of the country, the development of its resources, an educational system, and so forth. But it went to the archives, as have the reports of commission after commission.

I hope when the Gordon commission reports —I trust the report will not be too lengthy, and that we shall all be able to read it—every hon. member will take it and have a square look at it and say to himself: "I represent

Canada and Canadians. Every last recommendation in this report we are going to see implemented. I do not come from British Columbia or Ontario; I come from Canada". I hope that is the attitude we shall take; we are all Canadians and we want a balanced economy; we want the same educational advantages. If we have resources to be developed, Canada will pitch in and help develop them, and see that it is not made the responsibility of any particular province which may not be able to do it. We should all be glad to help one another. I hope that is the kind of approach we take to the Gordon report when we get it. I believe it is going to be a good one. The personnel of the commission are able men and will do and say the things that are right for this country when they report.

I was very pleased that the Leader of the Opposition brought on this discussion. Of course it is a socialist measure. I heard the leader of the C.C.F. party in 1942, 1943 and 1944 ask for the setting up of a development fund along the same lines and for the same purpose. But of course the Leader of the Opposition has been here a long while now. This is a bigger forum than the one he came from. He has heard all of those debates, and a lot of them have rubbed off on him. He himself is becoming a little socialistic, and I hope he will continue the attitude that he has taken this afternoon.

He put his discussion on a broad national base. You know, for some time I was afraid that he was supporting the kind of thing that is going on in this country, namely following the same pattern that has been carried on in the United States, developing the centre of the country and leaving the east and the west as the hewers of wood and the drawers of water. That is pretty well the development that we are getting in Canada. That is the kind of thing that Hitler was aiming at in Europe. He aimed to make Germany the super state with the supermen. He was going to use the rest of Europe as the hewers of wood and the drawers of water, the suppliers of raw material and brawn. The Germans were going to preside over them as the great super race, and they were going to keep the rest of the continent in slavery.

Well, if you look at the United States you will find that the centre is rich. They have everything they require. But if you go to the south you will find they still have the thatched roof and the tarpaper shacks. If you go into the New England states, if you drive through there, you will find that they are no better off than they are in the maritime provinces, and maybe not as well off, because there has not been very much industrial development taking place in that part of the country. Let us not follow the backward pattern that was set in other countries a long time ago when perhaps it was all right, when you had to concentrate population.

Today we are in a different position. Today it should be the aim in Canada to put every section of this country on exactly the same basis for every purpose. It is a bad development both socially and economically to build up the centre as we have in Ontario and not so much in Quebec, where problems are being created. There are sections of Ontario today that are screaming for relief from school and housing problems. People are being dumped in there both through immigration and migration from other provinces. That has happened to such an extent that they are not able to handle them and provide the necessary services, hospitalization, schools and so forth. The premier of Ontario said that himself on several occasions.

I do not think any country will ever be great until everybody in it shares equally in the wealth of the country. I hope we have made a start by this amendment of the Leader of the Opposition. I know that the government, the Minister of National Health and Welfare (Mr. Martin), the Minister of Finance (Mr. Harris) and others on that side of the house are social-minded. I know they have been thinking about this all the time. They have just been waiting to find out where the Conservative party stood. Now they know. They have the green light and I am reasonably sure they are going to take full advantage of it. I shall be watching the reaction of the Leader of the Opposition.

I hope that the suggestion made by the hon. member for Royal that the atomic energy development plant be sent down to the maritimes will be acted upon. It should have gone to New Brunswick or Nova Scotia. If there ever was a place where the experiments should have been carried out, it is down there. I hope the Leader of the Opposition will prevail upon the government of Ontario to make a donation of that power plant. I am sure the federal government would be willing to throw in their share if the province of Ontario said we are going to do for the maritime provinces exactly what Canada has done for India; we are going to lift the power plant out of Ontario and ship it down to one of the maritime provinces, because since the power plant was lifted from Ontario and shipped over to

India bit by bit—it was done under the Colombo plan—I understand it has done a pretty good job over there.

I hope the Leader of the Opposition will have a talk with Mr. Frost and see if he would consider making a gesture of that kind toward the rehabilitation of the maritimes.

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, it is not very often that I speak in this house, but I do feel I can support the amendment that is now introduced. I must say, however, that I have to disagree with the last speaker when he says this is a socialistic measure. I rather disagree with him. I think this is something we had long before we had socialists in this country, and I am sure it will be carried on long after the socialists have gone.

In this connection I might say that I listened to the radio this morning and learned that there is a very good socialist in the Conservative party. I was rather astounded when I heard it, Mr. Speaker, but apparently the hon. member for Broadview (Mr. Hees) was talking to some club in Toronto and he said he thought that all athletes who take part in any Olympic games should be supported by the government—

An hon. Member: He is a real socialist.

Mr. Hees: On a question of privilege, Mr. Speaker, may I correct that statement. I said that the hockey team which represents Canada at the Olympic games should be supported by this government to insure that we will have a star team and make sure we win the next time.

Mr. Wylie: Well, Mr. Speaker, perhaps he was misquoted again, but may I say that I still think private enterprise and our good hockey teams in this country can produce a good enough hockey to beat any Russian team that was ever iced without any assistance from any government.

An hon. Member: Get Beliveau.

Mr. Wylie: Yes, you are right; we should get Jean Beliveau and Maurice Richard. I could name them all, Mr. Speaker, because I am a keen hockey fan, but I know that you would call me out of order if I did.

Returning to this amendment, I think it is very timely and deals with something we all must consider; that is the development of our water resources in this country. Coming from a very dry area as I do, without power developments—

An hon. Member: Dry is the word.

Mr. Wylie: Someone interjected something, Mr. Speaker, and I did not hear what he said. I wish he would get up and say it now. He is still laughing about it. It could not have been very much, and I would not expect it to be very much coming from the hon. member from whom it came.

When we hear power development considered we always connect it with irrigation. Irrigation has done a great deal for the southern part of Alberta and will do more in the future. Lately we have had another project about 30 miles northeast of Medicine Hat that is drawing the attention of the federal authorities as well as the provincial authorities. In the Medicine Hat *News* of Wednesday, February 15 the mayor of the city of Medicine Hat had this to say—

An hon. Member: City?

Mr. Wylie: Yes, it is a city, perhaps bigger than your city. The mayor is reported as saying:

> Negotiations will be opened by the city with the federal government for a cost picture on development of the Rapids Narrows dam project. Mayor Veiner said this morning that the city would be interested in obtaining power from this site, in view of future gas prices which will boost costs at the local gas plant. The government would have the water available for irrigation purposes east of the city. The dam site is some 30 miles north of the city on the South Saskatchewan river, and such hydro power, he believes, would be considerably cheaper than that produced in a steam or gas-induction generator.

When we talk about power projects we always have irrigation projects in mind. This is a project I mentioned to the Minister of Agriculture last spring. I am sure the minister remembers the telegram I sent him concerning this same project. At that time I received a letter from the minister to this effect:

> April 27, 1955
>
> Dear Mr. Wylie:
>
> I have just read your wire of April 21 this morning. I only returned to the office on Monday.
>
> We have no information whatsoever with regard to a proposed dam north of Medicine Hat. P.F.R.A. officials have had no association with the proposal.

So now we are back at it again, and I hope this time the minister will give this project some consideration because we do need more electrical power in Medicine Hat and the surrounding area.

I might mention to the minister that this project received much attention all over southern Alberta. Even the Hanna *Herald* had a big article concerning it, as did the Lethbridge *Herald* and many other papers. I do hope that when the city of Medicine Hat gets in touch with the P.F.R.A. officials this year we will have some action, and if we have action at this time we will also have a huge area north and east of Medicine Hat and extending far into Saskatchewan that could develop into an excellent irrigation project.

We know what has happened with the South Saskatchewan dam project. Nothing has been done outside of what might be called survey work. I am sure there are many people living in that area who believe it is a project that should be developed, and I certainly do not blame them.

We in the southern part of both provinces, and I am speaking now for Saskatchewan as well as for Alberta, believe that if we can develop our natural resources in the way of irrigation or power it should be done. We know what irrigation has done for southern Alberta. I could talk for 40 minutes on that subject, Mr. Speaker, but I shall not do so at this time. I think there will be another time when I can speak on it and perhaps be more in order, and that is on the minister's estimates.

However, I do suggest to the government that the development of our water resources, no matter whether it is in southern Alberta, southern Saskatchewan or in any other province, is of great importance. It is important not only for the province in which the project is situated but it is important for the whole of Canada. I think that is something we must consider.

Of course irrigation is a "must" in both southern Alberta and southern Saskatchewan. I could go back to the years before irrigation out there and tell you some of the circumstances of those days, but we do not have to go back so far. All we have to do is go back to 1936, 1937 and 1938, when the only crops in that area were obtained where there was irrigation. In the southern part of the province we have had five exceptionally good crops.

At the present time many farmers ask, "What do we want irrigation for?" Many of those farmers have perhaps 150 or 160 acres coming under the ditch at the present time; but I must say that whilst we have had five exceptionally good years—and no one knows it better than the Minister of Trade and Commerce and the Minister of Agriculture—we are going to have some more years that will not be so favourable. In the southern part of the province we consider every year to be a dry year. If we have an exceptional amount of rain, as we had last July, we think we are just lucky. I hope that keeps up so that we do not have to use all the water that comes in the ditch, but we must be prepared for it in this respect, that chinook winds in the southern part of both provinces can ruin a very good crop in four or five days.

I am reminded of a poem which I think is very good. Many people moved out to the prairies. We have heard a good deal about the Palliser triangle. I often wish that everyone would forget about the Palliser triangle, but I heard it mentioned in the house today by the hon. member for Rosetown-Biggar, and so it brings us back to the Palliser triangle. This poem has been quoted many times, but I am going to quote it again. An old homesteader in the southern part of the province, before any irrigation was put in there, left this on his door:

> Seven miles to water,
> Fifteen miles to wood.
> You can have my desert homestead.
> I am leaving it for good.

That is very true. I am sure the Minister of Agriculture knows that area much better than I do. However, he has seen the changes in that area and the way the people moved in there, had a few good crops and then moved out. I have seen the same thing happen in Medicine Hat only a few years ago. Perhaps they are doing that today in southwestern Saskatchewan. When those people move out of southwestern Saskatchewan they come into Alberta, into the Vauxhall and Haynes area west of Medicine Hat, an area that is being developed under the Minister of Agriculture through the P.F.R.A., which is doing a very good job.

Before I conclude, may I say that I believe the P.F.R.A. should be continued by the government in those very worth-while projects. It means the difference between a good livelihood and a poor one, perhaps the difference between someone thinking that Canada is doing a good job for its citizens and someone dissatisfied and thinking the opposite. I hope the government takes this amendment into consideration. I certainly am very glad to see it brought up at this time, and I am very glad to support it.

Mr. A. J. MacEachen (Inverness-Richmond): I rise to speak in this debate because it focuses attention on one of the factors involved in our economic development. Several members who have already spoken have stressed the relationship between power development and economic development generally, and it is to that particular phase of the question that I should like to address some of my remarks.

A great industrialist, Cyrus Eaton, made the remark that industry springs where power is, especially where cheap electric power is. It is true that the availability of power at competitive rates is a factor of first rate importance in the location of particular industries; and it is true, of course, that power is of secondary importance in the location of other industries.

It is important, in discussing power in its relation to economic development, to realize

that it is simply one of several decisive factors in industrial location. Any consulting firm would certainly regard location near valuable raw materials, location near important markets and, certainly, location near suitable labour skills as equally important with power in the development of any industry, or in some cases much more important. So in presenting any argument on the importance of power one must conclude that it is a necessary condition, but not a sufficient condition, of industrial location.

In Nova Scotia, and to some extent in several of the other eastern provinces, we have exhausted our hydroelectric possibilities. We have as a result been accustomed to attribute our slower rate of economic development to the lack of hydroelectric possibilities in the maritime provinces. There has been in existence in Nova Scotia and elsewhere in the maritime provinces a very real feeling that the scarcity of power, and especially the lack of power at what are regarded as competitive rates, is one of the chief causes of the slower rate of economic development.

I do not intend to review the problem fully, but I think I should say enough to indicate that all the studies I have seen on the economic development of the maritime provinces indicate that the lack of power at competitive rates is not of crucial importance in the economic development of the eastern provinces. One of the studies I have at hand was conducted by Professor Keirstead of McGill University shortly after the war, when he was asked to investigate the probable economic effects of the war on the maritime provinces of Canada. One of the subjects to which he addressed himself was this particular subject of power and industrial development. He made this comment:

> Power costs have often been regarded, particularly in industries like pulp and paper, as of decisive importance in determining location advantage. Our evidence suggests the possibility of exaggerating the importance of power as a location factor.

Later on in his analysis of the pulp and paper industry Professor Keirstead gives some rather convincing evidence. He states that the power costs, for example, of a median establishment in Quebec are some 5 per cent lower than a similar establishment in Nova Scotia, and further that in pulp and paper, to carry out his illustration, power costs are one-fifteenth of the total cost of production, so that the general advantage that a Quebec competitor would enjoy over a Nova Scotian competitor would be something like ·33 per cent per ton output. Therefore the conclusion is inescapable that in this particular instance, which may be applicable to other industries, power is not and has not been a decisive determinant in industrial location.

To bring the discussion up to present day evidence, I was interested, like the hon. member for Cape Breton South, in reading some of the arguments presented by the Atlantic provinces economic council in a report issued just recently. I share the views the hon. member for Cape Breton South has expressed with respect to this new organization in the Atlantic provinces. One of the first duties undertaken by it was to set up a power committee to examine the power situation in the Atlantic provinces. Because it is of some interest I might mention that the chairman of the power committee is Mr. R. E. Tweeddale, assistant chief engineer of the New Brunswick Power Commission. The committee made what must be regarded as a preliminary study of the power situation in the Atlantic provinces, and this is the result of their preliminary study. They say:

> Basically, there is an adequate supply of electric power available in the maritime region to meet present demands. The committee believes that electric power can be made available for any section of the region to meet future demands.

Then the committee looked into the competitive relationship of power costs in the maritime provinces and other areas. It is true that power costs are higher in the Atlantic provinces than in the central provinces, but the committee states that power rates in the Atlantic provinces are not out of line with power rates on the eastern seaboard of the United States, and there it is not argued that power has been a decisive determinant of industrial location. To argue thus is to say that power has not been a decisive determinant of industrial location, but I think it is true that if you combine our lack of competitive advantage in power with some of our other disadvantages, namely our distance from national markets and the high costs of transportation, you may have more illuminating reasons for the relative lack of economic growth in the Atlantic provinces. It may be that if we could develop very cheap power for distribution in the Atlantic provinces it would be a compensating factor that would make up for our evident disadvantages in geography.

In Nova Scotia, of course, we must depend on coal for power generation. Our hydroelectric possibilities are exhausted, and it would be unrealistic to consider the generation of power from any other source. I must say that the Department of Mines and Technical Surveys has been alive to the importance of the coal industry in the generation of power in the maritime provinces. The hon. member for Cape Breton South has referred

to the investigation made by Professor Christie into thermal power generation in the Atlantic provinces. In his report Professor Christie did make a very important suggestion which is worthy of study by the provincial governments of Nova Scotia and New Brunswick.

He suggested a single power authority to administer the private and public power companies in New Brunswick and Nova Scotia. This single power authority would be completely responsible for the generation and distribution of power in these two provinces. He further suggested that this interconnecting system might be linked with the system in northern Maine and that in the part of Quebec on the New Brunswick border.

He claimed very outstanding advantages for this proposal. It would join the hydro and coal electrical generating systems and would permit the development of larger plants with very evident economies in operation. It would follow that there would be a cheaper electrical rate with a very reliable source of distribution. This is one of the interesting proposals that came out of Professor Christie's study, and one that is certainly in line with the need of developing the electrical possibilities in Nova Scotia and New Brunswick and in line with the requirements of the coal industry.

This afternoon the Leader of the Opposition referred to the problem of underground gasification of coal. This is a problem which has been the subject of considerable study by various organizations. I have, for example, the annual report for 1951 of the Nova Scotia research foundation, which contains a rather technical discussion of the experimental difficulties in developing this process for commercial utilization. While experiments have apparently been conducted in various countries, no country has yet succeeded in bringing this development to commercial utilization, and I think the reason is that they have been unable to solve the combustion process so that they get a gas of sufficient heat.

But while the underground gasification of coal cannot at present be a practical possibility, there is another form of gasification of coal that I think has advanced to a more satisfactory stage. I refer to the surface gasification of coal. There have been experiments undertaken at Morgantown, West Virginia, by the department of mines of Washington, and they now have in existence and in commercial use surface plants which do gasify coal. I understand there are several of these plants in operation in that part of the United States.

[Mr. MacEachen.]

Its implications for the power industry and also for the coal industry of Nova Scotia are very evident. If we had a unit that could gasify, for example, 7,000 tons of coal a day, and I think that is one of the economical units, we would have a market that would absorb maybe 3 million tons of Nova Scotia coal a year. If we did that, what effect would it have on the annual expenditures we make today in subventions for the movement of coal from Cape Breton? Here is something that we should look into.

You may then ask this question. If you gasify this coal, what do we do to dispose of the gas? This, of course, would require a type of development that would bring this gas to the more populous centres of Canada. If it were economical to send gas up to Quebec, for example, it would be certainly a practical possibility because of the stability it would provide to the Nova Scotia coal industry and because of the more useful way in which to expend this annual amount of money that is now spent on subventions.

This is one of the more promising experiments now going on in the United States. In the next few months or the next few years I am sure we are going to hear a good deal more about this experiment that is now going on at Morgantown, and that may have important implications for the coal industry of the province of Nova Scotia.

This amendment is an interesting one. It focuses attention on one of the elements of industrial development. It leaves unmentioned several of the others. At the present stage the proposal does not appear to be a certain way of assisting in the particular economic disabilities of the Atlantic provinces.

Mr. Gillis: Would the hon. member answer a question? Having regard to the experiment at Morgantown, is it not called low temperature carbonization? In Burlington, Ontario, there is a plant which has been operating along similar lines for many years. Mr. W. A. Caunt operates it. He approached the provincial government. I think the technical term for what is going on at Morgantown is low temperature carbonization, by means of which the gas is extracted from almost any kind of coal. The reason I wanted to correct the term is that "gasification" would be misleading.

Mr. George H. Hees (Broadview): Mr. Speaker, when the Prime Minister (Mr. St. Laurent) was speaking on the question of development in Edmonton last September he had this to say, and I quote his words:

> Canada stands at the threshold of expansion unequalled in our history. We believe that if we can maintain a vigorous and expanding economy,

and if we can create the conditions under which Canadians can avail themselves of the great opportunities this country presents, then none of us need fear for his future or for the future of the nation.

Who is going to quarrel with that statement of the Prime Minister? Certainly not the Conservative party, because we have been trying to convince the government of the common sense and factuality of these economic facts of life, and to persuade them to act on those facts. All we wish is that the Prime Minister and his colleagues would act as confidently as they speak, and that their actions were as bold as their words.

As the Prime Minister has said, this country presents tremendous opportunities. But opportunities do not just come to you. Opportunities must be seized. As he said, we in Canada are on the threshold of an unequalled expansion. But, Mr. Speaker, thresholds must be crossed. They do not just stand there waiting for you. The possibilities which the Prime Minister outlined will become realities only if we have imaginative planning and action by business, industry and, not least of all, the Prime Minister's own government. What, I ask you, is this government doing to promote this country's expansion? What strong and visible foundation is this government placing under Canada's future?

When he was speaking in Edmonton the Prime Minister mentioned the St. Lawrence seaway. In that regard, he suggested that the benefits that would be derived from this project would be felt in all parts of the country. On that subject he had this to say:

This project seems to illustrate a truth that is too often forgotten—that any contribution to the Canadian economy is a contribution to all of Canada and not just to the area immediately concerned.

Mr. Speaker, that is, of course, perfectly true. But why is this government at present engaged only on the St. Lawrence seaway? Why is it not pushing ahead with similar projects of similar magnitude, which would have similar benefits in other parts of the country?

Every Canadian and every part of this country will gain through the construction of power and irrigation works on the South Saskatchewan river. But this government has consistently refused to give any assistance whatsoever to the government of the province of Saskatchewan. Hence this great project, which has been demonstrated to be practical and desirable, remains an unrealized dream.

As the Leader of the Opposition so ably pointed out this afternoon, this project can do tremendous things for the province of Saskatchewan. First of all, it will provide more than half a million acres of irrigated land which today is wheat-growing land but which then will become market-gardening land. This will greatly diversify and improve the agricultural economy of Saskatchewan. In the second place, it will provide enough cheap hydroelectric power to make it possible for industries to locate in Saskatchewan in order to further diversify the economy of that province and make life better for the people who live there. After all of these protestations of its desire to develop the country, is this government interested in helping to make life better for the people in that province? The answer, of course, has been given on many occasions by this government, and it is a flat no.

As the hon. member for Royal so ably stated a few minutes ago in this house, all of Canada will gain by the construction of the Beechwood project to develop hydroelectric power on the Saint John river. This government again has consistently refused to give Premier Flemming the very reasonable assistance which he has asked of this government, namely that they simply give his power bonds federal backing so that he can obtain the money he needs for that project at a far lower rate of interest than can be obtained without it. This would make it possible for the people of New Brunswick to have a lighter tax load than would otherwise be possible.

Mr. Speaker, what Premier Flemming has asked for will not cost this government or the taxpayers of Canada one penny. Yet this government, which professes and gives lip service to a desire to develop this country, refuses to help that province to help itself to develop hydroelectric power which it desperately needs in order to bring industries to that province to help it diversify its economy so that it will be less dependent on its primary products; which it needs to smelt its new-found ores and which it needs to benefit greatly every resident of the province and make life better for them. Is this government interested in that development? The answer, of course, has been given on several occasions by this government, and it is a flat no.

Now, once again every Canadian will benefit if cheap power can be produced from Nova Scotia coal. This government has refused to proceed with research to find out if cheap electric power could be produced—

Mr. Prudham: That is not right.

Mr. Hees: —by burning Nova Scotia coal below ground, as has been done in Germany and in Russia. The government is not interested in helping Nova Scotia produce cheap electric power from these vast quantities of coal, thereby attracting industry and diversifying that province's economy.

Power Development

All of Canada will gain if it is found practicable to harness the tides in Passamaquoddy bay to produce cheap hydroelectric power in that manner. There is a potential source of a million horsepower of cheap hydroelectric power waiting to be developed if that project is found practical. This government has consistently refused to put up its share of the money needed for research to find out once and for all if that project is or is not practicable. Once again, by its refusal to do so this government is denying the maritime provinces the potential use of one million horsepower of cheap hydroelectric power.

All of Canada would gain, Mr. Speaker, by harnessing the great hydroelectric power potential of the Columbia river in British Columbia. But has this government given any indication of any desire to co-operate with the government of British Columbia to develop that great hydroelectric power potential? The answer is no.

Mr. Lesage: How many millions of dollars have we spent on surveys of the Columbia?

Mr. Hees: All of Canada would gain by harnessing the great hydroelectric power potential of White Mud falls and the Kettle rapids on the Nelson river in Manitoba. Is this government interested, after all the lip service it has given to the desire to develop this country, in co-operating with the Manitoba government in producing that power? The answer is once again a dismal and resounding no.

Yet, Mr. Speaker, it is public investment in the type of project I have mentioned that encourages the private investment, both domestic and foreign, which we need to make it possible to have the expansion this country must have. It is on the firm basis of things like seaways and highways, natural gas and electric power, irrigation and reclamation, that people build homes, offices and factories. The government say these things cost money. Of course they cost money, but that money is readily repaid over and over again with interest in the form of higher and more stable tax revenue. These kinds of projects Mr. Speaker, present to any government the only way out of the dilemma that governments today are facing, that is how to cut taxes and at the same time increase social security measures.

The credit, sir, of this country is good. It will not be strained one iota by borrowing the capital necessary for the basic development of this country. If Canadians will lend their government $12 billion, as they did during the last war, to be shot up in smoke, then Canadians will certainly lend their government a billion dollars or so to be invested in self-liquidating projects of the kind I have mentioned. The people of this country have just as much faith in the future of this country as the Prime Minister professes to have. If he will act with vigour and imagination, he will find that the people of this country will back him up.

What we need, as the Leader of the Opposition outlined this afternoon, is a national development policy, a policy which will assist the provinces that request assistance, in developing power and other projects which can be demonstrated to be both practical and capable of expanding that province's economy. All of the projects I have outlined so far tonight come well within that category.

It is only through such a policy as the Leader of the Opposition outlined this afternoon that this country can develop all the potential sources of cheap power from coast to coast and so attract industry, which goes to power, to the areas which need it most, such as the west and the maritimes. Industries establish themselves in certain localities for two main reasons. The first is because they believe that their cost of production will be lower than otherwise, and the second is because they believe their cost of distribution will be lower, and that they will be able to make more rapid deliveries of their finished products to their customers.

Power is a very important component of any cost, and the reason a very high proportion of industry in this country has so far concentrated in Ontario and Quebec is simply because there has been an abundance of cheap electric power in both those provinces. If equally cheap power could be developed in important quantities in the maritimes and in the west, then branch plants would be located in those areas because it would be to the advantage of industry to locate there.

The advantages industry will derive are three in number. First, they will have a power cost as cheap as anywhere else in the country. Second, they will make tremendous savings because their cost of distribution will be lower than if they have to pay for the long freight haul from central Canada to the west or the maritimes. Third, the time of delivery of the finished article will be cut down considerably, and under today's competitive economic conditions, that is a very important factor.

If the decentralization of industry could be made a reality as a result of the adoption of the policies outlined by the Leader of the Opposition this afternoon; if we could develop cheaper sources of electric power in all parts of this country, then our whole economy would be strengthened. It would be strengthened because the west and the maritimes would be less dependent on their

primary products, and their individual economies would become more stable.

Another thing I believe we must do to strengthen our economy, and increase employment and prosperity right across this country is, as the Leader of the Opposition has urged on many occasions, that this government should give the lead in promoting the processing of far more of our primary products right here in Canada. It is almost unbelievable, but it is a fact, that we seem quite content to ship most of our primary products out of the country in their raw state, to feed the mass producing machines of the United States and other countries. Then we turn around and buy back many of those raw materials in their finished form.

There is no reason at all why a far larger proportion of our raw materials should not be turned into the finished article by Canadian workmen working in Canadian plants. If people from the United States, from Britain, from Germany and others can take Canadian raw materials, turn them into finished products, and find a ready market throughout the world for those products, then there is no reason in the world why Canadians, working with Canadian raw materials in Canadian plants cannot find just as good a market in other parts of the world as do people of other nationalities who use our raw materials today.

What we need is some action, once again, by this lethargic government. We want the government to give a lead to industry in two ways; first of all by sponsoring a greatly expanded industrial research program, and second by revising its taxation policies so that new industries will be induced to start up, and present industries will be induced to expand.

Mr. Speaker, we know—everyone of us knows—that we have right here in Canada everything that is needed for a tremendous industrial expansion. We have enough food to feed several times our present population. We have almost unbelievable supplies of timber and iron ore, which are the basic requirements of any industrial program. We have almost unbelievable resources of every kind of power; we have tremendous resources of practically every metal that is needed in industry, nickel, lead, zinc, copper. Anything you can name we have in tremendous quantities. We have the brains; we have capital, and we can attract capital from the outside. We have proved that. All we need is some leadership from this government to make it possible for this country to have the economic development of which we are capable.

I urge the government to take three steps in that regard. First of all, the Leader of the Opposition urged this afternoon the introduction of a national development policy to assist provincial governments who wish to have assistance in developing power and other natural resources within their own borders; second, to sponsor a greatly expanded industrial research program, to help industry develop new products and develop cheaper methods of production; third, to revise our taxation policies so that new industries will be encouraged to start up and present industries will be encouraged to expand. Instead of sitting back and doing nothing, if this government will take common-sense economic action to help this country to help itself, if they will help develop power, if they will encourage industry to start up and expand, then this country can and will develop into one of the really great industrial nations of the world.

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, my main purpose in rising tonight is to try to get more of the members on the government side of the house interested in the South Saskatchewan dam, power and irrigation project. I might say that we now have the support of the Conservative party for this project, and I believe the support of all the members on this side of the house. I believe too that we have the support of the Minister of Agriculture, and a good many members on the other side of the house, particularly all of the members from the province of Saskatchewan. It seems to me we need only a little bit more support on the government side of the house to bring this project into being.

With regard to power, in the province of Saskatchewan we have not a single hydro-electric plant. All our power is produced either from coal, from gas or from diesel power. We want cheaper power in Saskatchewan because we want to see more diversification in that province. Diversification has been going on fairly rapidly during the last few years, and it is predicted in Saskatchewan that in the next ten years, provided we can produce enough power, the so-called wheat economy of Saskatchewan will be completely changed.

We need not only power in our province; we need irrigation. Tonight the hon. member for Medicine Hat told us something about an irrigation project in his province. Last summer I had the good fortune to go through a large part of the irrigated sections of that province. I went into the Vauxhall district about which the hon. member spoke. I wish to take the house back some 50 years, or a little over 50 years, because I was in that district in the year 1905. At that time settlers

were few and far between. What settlers there were were scattered along the different rivers.

In those days the cattle population was small because of the fact that there was no water available except in the rivers. They could travel a distance of only about 10 miles for feed because that was about all the distance they could go. Most of the time the cattle were walking back and forth to the river to drink. They never did get very fat. At that time it was considered that it took at least a quarter section of land to feed one cow.

That was the siutation in 1905. I might say that hay was almost not to be found at all. The rancher I worked with at that time thought he was lucky if he could cut a load of hay by keeping his mowing machine going all day. He had to haul it 15 or 20 miles. There were no trees. There was one small bush which was called the lone tree that you could see for 20 miles in all directions. There was no growth; there were no farms; there was nothing but a huge expanse of country that was not worth anything to anybody.

I left that country with a wagon train in 1905. We moved up into what they called the long grass country. Last summer eleven of us decided that since it was 50 years since we left that Vauxhall country, we would like to go back and take a look at it. We did. We went on to Provost and straight south from Provost. After we got about 50 miles from Provost we ran out of farming communities. From there on, almost into Medicine Hat, down to Suffield we saw a few deserted homes.

We stopped and looked at one of the homes that had been deserted. It looked like it had been a pretty nice house. In that house was a piano. When the people who had been there left, no doubt they did not have room on their wagons to carry away the piano, and so the piano was left. The following day we got into the Brooks country.

I am telling the story because, as I said when I opened my remarks, I want to get more members on the government side of the house interested in irrigation. The transformation that has taken place in that area is almost unbelievable. For somebody who left there 50 years ago and went back, the change was almost unbelievable. There was no town of Brooks at that time. There was a section house there and a few section men working on the tracks. There was a small post office, and the postmaster had $200 or $300 worth of groceries. It was very seldom that he had a customer outside of the section-men.

[Mr. Campbell.]

Today there is a town of several thousand inhabitants. Surrounding that town for many miles is one of the finest agricultural districts to be found anywhere in Canada. Instead of cattle walking 10 miles to get their feed and 10 miles back to get their water, cattle and sheep by the thousands are standing knee deep in alfalfa. They have to move only a few feet to get a drink of water. All they have to do is grow and get fat, and believe me that is what they are doing. We have a half million acres in the province of Saskatchewan that could be developed in just the same way, provided we could get the assistance of the federal government.

I said a few moments ago that it was considered it took at least a quarter section to feed a cow. Cattlemen in particular are vitally interested in irrigation. I came across an article in the *Country Guide* which told a story illustrating this point. It is a long story concerning irrigation in Alberta. I have not time to go into it, but I do want to read one little part to show what can be done with irrigation in the production of cattle:

> The eyes of cattlemen have been recenly focused on irrigated pasture. Because of this, two areas of 500 acres each, five miles east of Hays, have been fenced, broken and seeded to grass mixtures for use as community pastures. Jim Wickenheiser, for one, is planning to buy a flock of sheep. Others are planning on cattle and sheep too, for pasture marketed through livestock can always be sold, and promises good returns per acre.
>
> There is plenty of evidence that this might offer the best hope for these new areas. For instance, W. W. Foss, P.F.R.A. chief engineer at Lethbridge, returned from a tour of U.S. projects in 1954 and said, "I was amazed to find, even in the fabulously rich irrigated valleys of California, grain and livestock as the major sources of income. In all projects an average of about two-thirds of the acreage is devoted to them."
>
> Right in Canada, at Kamloops, B.C., the range experimental station has produced up to 800 pounds of beef per acre from irrigated pasture. At the Lethbridge experimental station, up to 6,100 pounds of fluid milk have been produced in a year from an acre, while at Broxburn, Alberta, 80 Aberdeen-Angus cows and their calves thrived on only 20 acres last summer.

That illustrates what can be done in the raising of livestock when we have irrigation. Irrigation is not good for cattle production only; there are many different kinds of crops that can be grown on irrigated land. I have in my hand a press clipping which contains a little story about two young men who came to Canada from the United States:

> Dick Butler and Robert Faris were born and raised in the potato and corn areas of Idaho. They'd done well for themselves but early this spring decided they wanted to do better. They thought sheep raising in Canada or South America would be a good bet.

They came to Canada and Mr. Faris is reported to have said:

"When we saw the Bow Island district this spring while looking for sheep land and we heard that irrigation was in sight for this year, we decided that there was no place on earth with better possibilities."

They went right to work and before long had possibly the largest single acreage of dry beans in the British empire, 600 acres of them.

The entire crop is certified seed and they have already made arrangements with neighbours to supply them with seed for the coming year.

"The average Canadian eats 12 pounds of beans per year, while an American eats 15 pounds with the Mexican being at the top with 55 pounds per person per year," said Mr. Faris.

"According to Alberta government statistics, this province imports practically all beans consumed and is presently short about 35,000 acres," he says.

Looking over his first year's crop which he thought wasn't very good Mr. Faris after conversing with his partner said it would go nearly 1,800 pounds to the acre.

"Even if we get a very low price of seven to eight cents a pound," he claimed, "we stand to clear about $100 an acre and where can you beat that."

That is all I want to say this evening, Mr. Speaker, but I do want to urge the government and hon. members on the other side of the house to take another look at the South Saskatchewan river dam and irrigation project. I know that the Prime Minister has been blamed in the newspapers for being the one who opposed this project, but I understand he has been through that part of the country and has seen something of what can be done there. I am hoping he will use his influence to try and see if something can be done in the near future to give Saskatchewan this project.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, the amendment we have before us has aroused an interesting discussion, and we hope that in years to come we will have some results from the time spent upon it in the house at this time. It is nearly ten o'clock, Mr. Speaker, and I am just wondering if we could perhaps adjourn the debate.

On motion of Mr. Leboe the debate was adjourned.

Mr. Speaker: Before we proceed to the adjournment of the house I should like to say a few words just for the purpose of informing hon. members of the way I look at the situation.

I should like to refer again to the amendment that has been moved. It refers to a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the government in carrying out such developments.

Some hon. members have already indicated that this amendment is very wide and at least one hon. member, the hon. member for Cape Breton South, referred to a resolution of his on the order paper, a notice of motion which is notice No. 3, which asks for direct government assistance for the establishment of additional or alternative industries in the areas concerned. No doubt he had also in mind, like I have, the notice of motion in the name of the hon. member for Saint John-Albert, No. 24, and the one in the name of the hon. member for Restigouche-Madawaska, No. 27, both of which deal with the consideration to be given by the government to the advisability of providing assistance to the province of New Brunswick in the development of electric power.

It seems to me that some of these notices of motion when they are called, and if they are called between now and the end of the present session, might have been included in the discussion which is now before this house. I do not want to apply the rule of anticipation, but I think hon. members who may feel that the present amendment could block their own notice of motion at a later stage might do well to take advantage of the present debate so that later when their own notice of motion comes along they may be satisfied that having dealt with the substance in this debate, they will not again press their own notice of motion.

The amendment is so wide that I do not feel I should use citation 350 of Beauchesne's third edition, which is to the effect that it is out of order to move, as an amendment to another question, a motion standing on the order paper as a notice of motion. Therefore, having said that, I hope hon. members will govern themselves accordingly because we do not want to have overlapping of debate or repetition.

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:

COLLECTIVE AGREEMENT CONTRACTS—GUARANTEED ANNUAL WAGE

Question No. 79—**Mr. Knowles:**

1. How many collective agreements between employers and employees in Canada now include a provision for a guaranteed wage?
2. How many employees are covered by such contracts?
3. How many of such contracts were negotiated during 1954? How many since January 1, 1955?
4. What relationship exists between such provisions for a guaranteed annual wage and unemployment insurance? Has it been made clear in the unemployment insurance regulations that any payments received from an employer under a guaranteed annual wage plan by an employee not working at the time are not regarded as earnings within the meaning of the Unemployment Insurance Act?
5. Is the Department of Labour taking any steps to encourage more employers and employees to include provision for a guaranteed annual wage in their collective agreements? If so, what are such steps?
6. Are there available any departmental studies on the subject of the guaranteed annual wage?

Answer by: **Mr. Gregg:**

1. Since the signing last June in the United States of the first guaranteed wage plan in which payments are to be integrated with unemployment insurance payments, five agreements containing plans of a similar nature, frequently known as supplementary unemployment benefit plans, have been negotiated covering Canadian firms.

The department has, in addition, record of five agreements under which a minimum amount of work or wages is guaranteed during the year without reference to unemployment insurance. Three of these are plans of several years' standing. The other two are more recent plans which guarantee a minimum number of weeks of work during the year.

Thus, total plans including both types, of which the department has knowledge, number ten.

2. The five agreements containing plans of the supplementary unemployment benefit type integrated with unemployment insurance cover 8,261 employees.

The other five agreements containing a guaranteed annual wage plan by our definition cover 1,578 employees.

In total then, 9,839 employees are covered by the ten agreements.

3. None of the contracts of which the Department of Labour has knowledge were negotiated during 1954. All of the five plans providing for supplementary payments to unemployment insurance have been negotiated since January 1, 1955.

Of the other five plans, three were negotiated several years ago and two have been negotiated since January 1, 1955.

4. Since the provisions of guaranteed annual wage plans differ considerably, each plan must be studied before its relationship to the Unemployment Insurance Act can be determined. No specific regulation refers to guaranteed annual wage plans as such. Therefore the unemployment insurance commission would not be in a position to determine whether or not payments received under any particular plan will or will not be regarded as earnings within the meaning of the act until the provisions of that plan are fully considered in the light of all the provisions of the act and regulations.

5. The Department of Labour does not attempt to encourage or influence management or labour to seek any particular working condition in collective agreements. It is the policy of the department that working conditions should be negotiated freely and directly by the parties concerned.

6. The only published study on this subject appeared in the September 1953 issue of the *Labour Gazette*. In that study five agreements were shown as containing annual work or wage guarantees. Three of these are still in existence and are included in the ten agreements having a guarantee as noted above. The plans in the other two agreements in the 1953 study were subsequently deleted from the agreements. Other studies on this subject will be made in due course as warranted.

ARCHBISHOP BORIS OF RUSSIA

Question No. 138—**Mr. Hansell:**

1. Was Archbishop Boris and his party, during their recent trip in Canada, at any time guests of the federal government or any official thereof?
2. If so, did the government acquaint itself with the background and activities of Archbishop Boris and/or his party?
3. Was there anything which could cause any hesitation in granting visas and what was the position and official status in the U.S.S.R. of the members of the party?
4. Did the government inquire as to whether or not visas had been refused by the United States and France to Archbishop Boris or any member of his party?
5. If so, with what result?
6. How long was this party travelling in Canada, at what port did they enter, what was their point of departure, and did any government official or officials accompany the party on their tour?
7. Did the party or any member thereof travel under diplomatic immunity?
8. Was the entry of the archbishop and his party recommended to the Department of Citizenship and Immigration or any other department of the government? If so, by whom, and did the recommendation state the purpose of the visit?

Answer by: **Mr. Pearson:**

1. No.

2. Answered by No. 1.

3. No. All requests for visas are carefully scrutinized. The government was supplied with the usual particulars about the individual members of this group, and after the normal consideration by the appropriate Canadian authorities it was decided that visas could be authorized. The official positions of the members of the party were:

Vik, Boris Ivanovich—
Archbishop, Russian Orthodox church.
Ruzitsky, K. I.—
Archpriest, rector of Moscow ecclesiastical academy.
Gorbatchev, A. P.—
Inspector of Moscow ecclesiastical academy (a layman).

4 and 5. The United States permitted the archbishop to visit the United States early in 1955, and again issued him a visa in November, 1955, on the understanding that he would minister only to soviet nationals in the United States. Proceedings were taken to cancel this visa, however, when the Soviet union insisted that he be allowed to enter on a permanent basis to exercise the administrative functions of exarch of the Russian Orthodox church in the United States. Since the archbishop wished to come to Canada for a short visit only, the United States reasons for refusing him entry did not apply to Canada. Our embassy in Washington was in touch with the state department on this subject. The government did not inquire as to whether visas had been refused by France to Archbishop Boris or any member of his party.

6. The party travelled in Canada for two weeks, entering on December 4 at Montreal and leaving on December 18, also from Montreal. No government official accompanied the party on its tour.

7. No. Members of the party were given ordinary non-immigrant visas.

8. Yes. The general council of the United Church of Canada recommended the entry of the archbishop and his party. The secretary of the general council stated in a letter to the Secretary of State for External Affairs that the object of the visit would be "to establish friendly relations between various communions of the Christian church, to increase our knowledge of one another's problems and to consider some aspects of the general subject of the church and international affairs with which we are all deeply concerned." The request for visas was passed to the Department of Citizenship and Immigration with an explanation of the purpose of the visit, and that department approved the request subject to the normal requirements for non-immigrant entry.

HOUSE OF COMMONS

Tuesday, February 21, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

REQUEST FOR EARLY ORGANIZATION OF COMMITTEES

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister if appropriate steps can be taken to see that the committees are constituted. I realize there is a procedure but I also believe that a suggestion from the Prime Minister will be helpful in expediting the process. I would also ask particularly that steps be taken to call the public accounts committee at the earliest possible date.

Right Hon. L. S. St. Laurent (Prime Minister): I thank the hon. gentleman. I assure him that appropriate steps will be taken to get the committees organized as expeditiously as possible.

LABOUR CONDITIONS

REFERENCE TO UNEMPLOYMENT FIGURES FOR JANUARY, 1956

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Minister of Labour. Has the minister any comment to make on the statistics which appeared in the papers this morning indicating that the unemployment figure for January is the second highest since the war?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, the figures that appeared in the papers this morning were based upon the report which comes out from month to month. It gives a very complete survey of the situation as reflected over the period from the middle of December to the middle of January. I should like hon. members to recall that of course that is a period when there are a great number of lay-offs for one reason or another over the Christmas holidays and at the beginning of the year.

Up to that period our non-farm labour force in Canada had increased by 300,000, in round figures, since last year; and the total number of applicants for work were, in round figures, 100,000 less than last year. As a mid-winter picture, while it is unfortunate there are so many unemployed, I think we are in a better position this winter than we have been for a number of winters in the past regardless of the figures.

That is true in the main, of course, because of the buoyancy of our whole economy in Canada. To a much lesser degree it is true because of the fact that governments at all levels, industry—particularly the Canadian construction industry—labour unions, communities and municipalities have worked together on a very widespread experiment to see how seasonal unemployment might be attacked this winter. I hope and believe that we are learning many things that will be useful in the future. Finally, the improvement of the unemployment insurance plan, particularly during the seasonal period, is helping where more work cannot be obtained.

UNEMPLOYMENT—REQUEST FOR CONFERENCE OF LABOUR, MANAGEMENT AND GOVERNMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question I should like to direct to the Prime Minister. In view of the seriousness of the unemployment situation, will the government consider calling a conference of labour, management and government to see what can be done to check rising unemployment?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am confident that employers at all levels mentioned by the Minister of Labour a moment ago are doing their best to provide additional jobs during this period of seasonal unemployment. I have no reason to believe that their efforts would be intensified as the result of any conference that might be called in that regard.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PROVISION FOR PERSONS DENIED BENEFITS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct another question to the Minister of Labour. As some four weeks or so have now elapsed since the announcement the minister made in this house with respect to the reinterpretation

of the new unemployment insurance regulations, can he give any information to this house with respect to the effect that has had on those persons who were previously unable to establish themselves as beneficiaries under this scheme?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I cannot give any information in detail this afternoon but I should like to assure my hon. friend that the matter is being watched very carefully. Just as soon as there is something that can be of value in that way, I shall be glad to present it to the house.

Mrs. Fairclough: You had better hurry up.

APPLICATION TO FISHERMEN—REFERENCE TO PRESS REPORT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Is the minister correctly quoted in the *Fishermen's Advocate* of February 10 as saying that it is "really only a matter of time" before unemployment insurance is granted to fishermen?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have not had the benefit of reading the periodical, and I never like to say anything about things which I have not read.

PUBLIC BUILDINGS

ESTEVAN, SASK.—REQUEST FOR IMPROVED POST OFFICE AND CUSTOMS FACILITIES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Has the minister received any communications from the town council of Estevan, Saskatchewan, urging the need for improved post office and customs office facilities? If so, can the minister inform the house when construction of the federal building to meet this need will be commenced?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. It seems to me that we could use our time at this moment more profitably if we were to avoid asking questions with regard to the reception by ministers of correspondence in connection with public projects.

[Mrs. Fairclough.]

HOUSING

CENTRAL MORTGAGE AND HOUSING CORPORATION —LOANING POLICY

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Minister of Public Works. Has the policy of Central Mortgage and Housing Corporation been changed in the making of loans in any areas so that no loans will be made on dwellings erected on lands which are not provided with sewers?

Hon. Robert H. Winters (Minister of Public Works): No, Mr. Speaker. There has been no change in policy in that respect. The policy that applies now is the policy that has been in effect for some time.

Mr. Pallett: I should like to direct a supplementary question to the minister. Will the minister have that policy reiterated down through Central Mortgage and Housing Corporation so that no statements are made by officials contrary to the minister's answer today?

Mr. Fleming: Answer.

Mr. Macdonnell: A smile does not get on the record.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—METHODS OF PUBLIC FINANCING

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce. Has the government received any written undertaking from Trans-Canada Pipe Lines in regard to their methods of public financing, other than the material which was tabled at 2.30 yesterday afternoon?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I recall no communication to that effect, Mr. Speaker. The government has not pressed them for a statement of their public financing, it being a matter with which the government is not primarily concerned.

SUPPLY

The house resumed, from Monday, February 20, consideration of the motion of Mr. Harris for committee of supply, and the amendment thereto of Mr. Drew.

POWER DEVELOPMENT—PARTICIPATION BY FEDERAL AND PROVINCIAL AUTHORITIES

Mr. B. R. Leboe (Cariboo): At the adjournment last night I had been speaking for about a minute and a half on this amendment. At

the outset, I should like to say that I have not too much I want to put on the record. However, I feel we should review some of the things we have in mind in British Columbia in the field of power.

Of course atomic energy is something that is in the experimental stage at this time, and therefore there need not be too much said about it. On the other hand we know some advances have been made in the use of coal and gas for the production of electricity. In Alberta, for instance, the Calgary Light and Power Company is installing a plant at Wabamun that is going to develop about 147,000 horsepower. The information I have is that this plant is adapted to the use of gas but will eventually be converted to the use of coal. It is my understanding that the coal will be used in the form of dust in high pressure water tube boilers generating steam for turbines.

We can see that in this way electrical power is going to reach many people in Canada who otherwise would not have power because they are a long distance from hydroelectric plants. In that connection I should like to bring to the attention of the house a report appearing in the Dawson Creek *Star* of February 9, 1956. The heading is, "4200 Alberta farms get power in 1955." The article reads:

> A total of 4,264 farms were organized into rural electrification associations during 1955, according to figures released today by the Hon. Raymond Reierson, minister of industries and labour. The number of farms electrified has now reached 34,768. In addition there are 5,410 non-farm customers who are receiving power as a result of the construction of farm lines.

There is no question but that the subject of power is important. The thing in which we are interested in Canada is how this power is going to reach the people of this country at the earliest possible moment and bring to them a higher standard of living. A good deal of our power in British Columbia is developed under a crown corporation known as the British Columbia Power Commission. In that province we find that under the power commission we have 150,000 kilowatts of hydroelectric power, 26,000 kilowatts of diesel, that is thermal electric, 700 miles of high voltage lines, and 3,300 miles of distribution lines.

I have been given to understand that there is a trend toward the use of direct current motors in industry, which give a great deal more power for the amount of electricity consumed. I also understand that experiments have been successful in the transmission of direct current over much longer distances than they are capable of transmitting alternating current at the present time. Because of these factors we can readily see that hydro plants in some of the far reaches of our country can be brought, as it were, closer to the places where we have many farms and villages looking for electrical power.

It is expected that in British Columbia, owing to the gas line that is to be built from Fort St. John in the Peace river country to Vancouver, a great deal more thermal electric power will be developed through the use of gas. It is very important to realize that this great national resource is now to come to the people of British Columbia for power and heat. We are grateful for that. Many industries may develop in the interior of British Columbia as a result of the use of gas for both power and heat.

Possibly the position of British Columbia can best be summed up by referring to the federal-provincial co-operation in economic development submission made to this government on December 14, 1953. In the introductory remarks this is what the submission had to say:

> The government of British Columbia in this brief proposes federal-provincial co-operation in the further economic development of the province and in the conservation of its natural resources. It submits that financial participation by the government of Canada in projects which will serve these purposes is warranted both by the national interest and by special consideration affecting British Columbia. It further submits that it is warranted by federal financial participation in projects in other parts of Canada. Accordingly, a joint program of public investment is here proposed.

I think that is in line with the amendment moved yesterday by the Leader of the Opposition.

The power potential of British Columbia is great. We have heard considerable mention of the Columbia river as a potential power site, but I should like to point out to the house that the Columbia river basin is by no means the largest and most important power site that we have in British Columbia. To mention a few, there is the Yukon Taku project. The potential there is almost 5 million horsepower as compared to the Columbia river development of 3,300,000 horsepower. The lower Fraser valley potential exceeds that of the Columbia river. The upper Fraser valley potential exceeds that of the Columbia river. These figures of the potential horsepower of British Columbia indicate that while a great deal of interest has been created in the Columbia river development project, a great deal of consideration has to be given to some of the other power sites in Canada.

We recognize, of course, that the fishing industry of British Columbia is an important factor and must receive its due consideration. In the known potential of British Columbia we have 22,913,000 horsepower and the

potential of 25 per cent of the province is still unknown. That these developments will be of benefit not only to British Columbia but to the people of Canada is a fact I do not think anyone would care to deny.

The St. Lawrence seaway has been mentioned as being located in more or less the central part of Canada, and I believe that is true. I agree that a certain small amount of benefit may be derived in the over-all Canadian economy, and that is also true of such power projects as exist in British Columbia and in other parts of the country.

I would support the plea that the province of New Brunswick be given consideration in its Beechwood project. I think it is important to the economy of Canada that money is being spent in various parts of the nation for the development of power.

While I am on the subject of money I should like to say that it is certainly easy for hon. members of the opposition to be continually pressing the government for the expenditures of great sums of money, and it is perhaps not always possible for the government to meet our demands or requests. I believe I should use the word requests rather than demands; however, when I think back to about November 15 I recall that the Bank of Canada met with the chartered banks of this country. If I read the evidence correctly that meeting was for the purpose of recalling certain funds from specific areas with a view to making it more difficult to obtain credit in the country. In other words it was an indication that the money supply of the country was adequate to meet the demand for the distribution of goods.

If that is so, I would then say that the government had failed to meet its obligations some years ago when the decline in farm prices began. In this case where we are asking for federal money to be spent in various parts of Canada, the over-all money supply in the country must be taken into consideration because if the money supply is increased to the point where we are faced with inflation, we are then going to do more damage than ever to all the recipients of social assistance across the country whose living standard has been cut by the financial policies that have been followed by this government.

Speaking of money, which we know is necessary for the development of this country, I should like right now when the hon. gentleman over there says "real money" to quote an article which appeared in *Labour* of December 17, 1955, which is published in Washington. This reads:

How "Bankers' Money" Works

Uncle Sam's $205 billion national debt can keep on going up, but it can't come down much or permanently without causing a depression. That's the surprising picture painted by economists at a Senate-House committee hearing on taxes.

The explanation, however, is this: The less money the government takes in taxes, the more it has to borrow from bankers. They "manufacture" the money they lend to Uncle Sam when they buy his bonds. The government spends this "new money" and thus stimulates the economic machine.

What would happen if Uncle Sam used tax money to pay off part of the debt owed to bankers? The economists said that surely would cause an economic slump, for these reasons:

First, the people couldn't spend the money because it was taken from them in taxes. Second, the government couldn't spend money it used to pay off debt. Third, the debt payments would wipe out "bankers' money" circulating in the economic system.

It's a fine system for the bankers, because it yields them billions of dollars of profits in interest on the money they "manufacture". But is it the best possible system for the American people and their government?

The hon. member for Kootenay West (Mr. Herridge) suggested to the Social Crediters that we should support the use of the national credit. We do support 100 per cent the use of the national credit for the development of Canada, but we are not unmindful of the fact that the national debt of the United States has risen by billions —from $268 billion to approximately $300 billion. Many of those United States dollars have been reinvested in Canada as permanent capital, and that permanent capital investment in this country has added to the dollars released in the form of salaries, wages and dividends.

Once we have a sufficient money supply in the Dominion of Canada, surely we cannot ask the government to go into debt under the present financial policy, or that they should change it and use the Bank of Canada for the creation of money against the national credit to a point where we would have inflation. That is not a sound policy. Therefore I think we have to go back a good many years to find out exactly what caused the situation that we have today to develop. Having done so I think we will find that had we had a different financial policy in this country a good many years ago, many Canadians who today have not savings to invest would have savings to invest in this country.

Some suggestion was made that outside capital should not be invested in Canada for the development of our country. If that policy were to be followed it should have been followed many years ago. Take the Canadian Pacific Railway. I understand from the latest figure that 88 per cent of the dollar investment in the Canadian Pacific Railway comes from outside Canada. I understand the Aluminum Company of Canada is 75 per cent owned outside of Canada. In British Columbia, as mentioned before, we have the Kitimat project where a town of about 50,000 people

will eventually be built around that industrial development. That project was made possible by the investment of foreign capital together with Canadian capital.

All this business of what is socialism and what is free, responsible enterprise can be answered very quickly. Free, responsible enterprise is just exactly what it says and we can find out what socialism is in the Oxford Press dictionary, where it is very well explained. We do not need to be worrying about that here.

I was amazed to find that the hon. member for Vancouver South (Mr. Philpott) did not rise on a question of privilege today and correct the speech he made yesterday with regard to the remarks he made concerning the hon. member for New Westminster (Mr. Hahn). I suggest to the hon. member that he read in *Hansard* what the hon. member for New Westminster said and compare it with what he said he said. The same thing applies to the hon. member for Kootenay West. If he would do the same thing I am sure he would like to rise on a question of privilege and put the record straight.

Mr. Byrne: What did he say?

Mr. Leboe: You can read it in *Hansard.*

Mr. Byrne: I am listening to your speech. I am not reading *Hansard.*

Mr. Leboe: Well, you have lots of time. Members over there have more time than money.

Mr. Byrne: Only the Social Crediters have money.

Mr. Yuill: You should know; you are living in a Social Credit province.

Mr. Leboe: In connection with power development in Canada, I believe that in the past we have lost sight of the responsibility of governments to take the lead in encouraging the processing of our raw materials within our borders. I think there is much that can be done in all the provinces of Canada in that regard. Some of them are much worse off than others in that respect, and we know which ones they are. But surely we must get to the point where we are utilizing our own men and women in this country, who are looking for work, in the processing of our raw materials.

I can see no reason why, for instance, a pulp mill should be exporting pulp to another country. I do not see why we should not be making the paper right in this country instead of shipping the pulp out of the country. We should be shipping out newsprint, not pulp. In that respect I would advocate that due consideration should be given by the government to rendering all the assistance necessary in the development of research, and that the government should encourage the full utilization and processing of our natural resources within our borders.

With respect to federal-provincial co-operation, I should like to refer to the proposal of the provincial government of British Columbia in their submission on December 14, 1953. I will not read the words, but on page 13 of their submission they pointed out that there were already certain precedents in Canada for dominion-provincial co-operation in those fields we have mentioned, and I would urge the government to take a new look at the situation.

If the money supply in Canada has reached the point where the release of further credit is going to cause inflation, then I think it is time the government made a full review of its financial policy and that of the Bank of Canada. I certainly can see no reason why we should not embark now on a policy that would bring about a situation whereby Canadians themselves would have the savings to invest in the development of their own country. Certainly we have not such a policy now, and that is what the hon. member for New Westminster pointed out yesterday. With reference to the provinces of western Canada he said, as found at page 1354 of *Hansard:*

> They are prepared to accept United States investment, British investment, or investment from any other country that we can interest to the extent of coming into this country, provided they come in under our regulations.

In order to call what he said to the attention particularly of the hon. member for Vancouver South and the hon. member for Kootenay West, may I point out that he used these words, "provided they come in under our regulations." Naturally these provinces are looking to the protection of the interests of their people, and to seeing that their rightful share comes back to them from the processing of their natural resources. Therefore I think there is room for federal participation in the development of power if and when the time arrives that the federal government is in a position to do so.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I welcome the opportunity of rising this afternoon to support quite briefly the amendment moved by the Leader of the Opposition yesterday. The pertinent part of that amendment reads as follows:

> . . . consideration should be given to a joint investment program for the development of power resources in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development.

Power Development

The Leader of the Opposition dealt with the problem on the broad national basis and left it to the rest of us to apply the broad principles to our particular provinces. I should like to emphasize two words in the amendment, the one "joint" and the other "co-operation". Joint investment certainly presupposes that there should be intimate and close co-operation.

I think the amendment is very timely, because only last year we had the sorry spectacle of two governments, the government of British Columbia and the federal government, failing lamentably to show the degree of co-operation that is necessary and will be necessary in the future if these joint programs are to work to the benefit of the people of any particular province or, in fact, to the benefit of the people of Canada as a whole. Of course I refer to that striking lack of co-operation which was shown in the early stages during the events that led up to the introduction of the international rivers bill.

I am not going to repeat today the details of that lack of co-operation. They are well known to all members of this house and to the majority of the people resident in British Columbia. It was indeed a sorry spectacle. However, after the bill had been amended we of this party were in support of the act as it was subsequently modified.

It will be recalled that under that act the federal government has the authority to issue a licence for the construction of any project on an international river. If the federal government assumed the authority to issue licences, it must also accept the responsibility which goes with that authority which it has taken. If the federal government merely adopts a negative attitude and says it will not issue licences for this or that project which may be suggested either by the provincial government or by some corporation anxious to develop the industrial resources of any particular international river, there will be a great deal of resentment. In fact, the people will never tolerate such an attitude.

Industry today is straining every nerve to find additional sources of power. The assumption of this authority by the federal government is a challenge to the government which it must accept, namely the challenge to assist Canadians to retain and develop the power resources of Canada in the best interests of the Canadian people. We are today faced with organizations, corporations, businessmen and industrialists in the United States who are only too anxious to come in, build projects on our rivers and utilize the power which is produced from those projects for the power-hungry industries of the United States, giving to Canada or, in the case of British Columbia, to the province of British Columbia only a portion of the wealth in power which they have taken from our own waters. I therefore feel that it is a definite challenge to this federal government to see that it adopts a positive attitude toward the development of these streams.

Until quite recently coal was the main source of power in British Columbia. However, that day has gone. In British Columbia our coal fields, I regret to say, are not as active as they were. Many of the seams have played out. Today water is providing 44 per cent of the power, petroleum provides 38 per cent and coal has dropped in position until it is providing only 18 per cent. The estimates which have been made indicate that there will be a considerable increase in the proportion of power provided by water. In fact some scientists have estimated that not less than 70 per cent of our power will be derived from water sources in the near future.

The hydroelectric potential in British Columbia, based upon careful surveys carried out by the water comptroller of that province, has been estimated as something over 25 million horsepower. But today in the installed hydro stations we are producing only 2,246,000 horsepower. Those figures show what a tremendous increase there may be, from 2 million horsepower to 25 million horsepower, for all of which sources have been located. There are still large portions of the province, particularly in the northeastern part of British Columbia, where no surveys have yet been made. The availability of the horsepower which has so far been developed has played a major part in the development of our mining and smelting industry. It is therefore quite obvious that if we can develop that enormous potential to 25 million horsepower or more, the growth of British Columbia in population and in industry will be beyond imagination.

Just to give some idea of the various localities where there has been development—and there are still projects which are undeveloped but which have been surveyed—I start out by giving the figures around Vancouver island, which are contrary to the general trend in the rest of the province. On Vancouver island there are 396,000 horsepower developed but undeveloped there remain only 235,000 horsepower. Obviously there is an acute shortage in sight on Vancouver

island. It is for that reason that this year a cable is being laid to bring power from the mainland of British Columbia to Vancouver island.

When we come onto the mainland, in the lower Fraser valley we find that only 986,000 horsepower have been developed. That is in the immediate vicinity of the metropolitan area of Vancouver. Yet the surveys have shown that 3,600,000 horsepower are available. Up the Columbia river only 703,000 horsepower have been developed, while again there are 3,300,000 horsepower which are undeveloped. In what is termed the upper Fraser district there are no developments; no projects have been developed. Yet according to the surveys which have already been made, 3,600,000 horsepower are available. In the Kitimat area only the small quantity of 560,000 horsepower have been developed while the undeveloped sources reach the figure of 2,240,000 horsepower.

Then as we go further north into that immense area of the Yukon Taku district, there are no water power developments there but the estimated undeveloped potential is 4,900,000 horsepower. As I said a moment ago, the northeastern portion of the province has not even been surveyed.

I think those figures give some idea of the future prospects of this great province. The hydroelectric developments which have taken place so far have been of the nature of single and steep developments on individual sites. It is probable that in future developments, particularly the type of development that is expected in the lower Fraser valley, the trend which has been taking place in the United States will be followed. This means the multiple use of the water, so that wherever it is economical to put in irrigation plants as well as power plants, the two will be developed concurrently.

With these great possibilities ahead I must sound a note of caution, or perhaps it may be even a further challenge to the government. No dam or hydro project must be developed on our streams on the west coast without due consideration being given to the effect upon our fisheries. Of course the principal fishery in British Columbia is salmon. The estimated market value of that fishery in a normal year, such as last year, is over 50 million. This industry employs, as fishermen and in allied occupations, well over 15,000 people.

The problem of passing fish over a dam in a river is as old as dam construction itself, but until comparatively recent years dams in most rivers were very low and the engineers and fishermen who gave any consideration to this problem were concerned with the upward movement of the fish. A few ladders enabled the fish to work their way up to the spawning grounds. But as dams were built higher and higher it became noticeable that in spite of the fish ladders which were provided the run of fish in those particular streams was decreasing.

Perhaps I might digress for a moment to give a very brief life history of our Pacific salmon. It is common knowledge that during the summer and fall months the salmon work up from the ocean to the spawning grounds in fresh water, literally hundreds of miles from the seashore. There the salmon spawn and immediately die. During the winter months the eggs lie dormant, but they are hatched early in the spring. By April the small fry are free swimming. Some species, such as the pinks, work their way down to the ocean immediately so you have the problem of little fry, two inches in length, going down and encountering a dam and wondering how to get past that obstruction.

Other types of fish, such as the sockeye and spring, remain in the fresh water for one, two or three years, and reach a length of six to eight inches before they start to work down the streams. If they meet a dam they have to find a way to get around it or over it. The problem presented to the engineers is entirely different according to the species with which they are dealing. Following their natural instincts the fry or fingerlings follow the main stream, and if there is water spilling over the dam they follow that spillway and are hurled hundreds of feet to the lower level. Obviously the casualties from abrasion and from the sudden change in height and pressure is very high. If there is no water running over the top of the dam, no surface spillway, then the fish are either shut in or they must go through some submerged spillway or through the turbines. In both cases the results of course is a very heavy death toll.

It was only when the higher dams were being built that the engineers realized that the greatest damage to the fishing industry was done when the fish were migrating downstream rather than upstream. A few years ago a series of investigations were carried out by Canadian and United States officials under the international pacific salmon fisheries commission at Baker dam in north Washington. The Baker dam is only a comparatively high dam, 250 feet. Dams now built or being built are two to three times that height. As a result of the investigations which were carried out it was found that 64 per cent of the sockeye which went over the spillway were killed, and 34 per cent of the sockeye

which went through the turbines were killed. This gives some idea of the problem and indicates that unless this problem of passing fish over, through or under these projects is tackled there will soon be no fishing industry on the west coast, or else the power developments will be limited to the non-fish streams. Neither of these results would be desirable.

If our hydro development is limited to the non-fish stream, then a great deal of that enormous potential to which I referred may not be realized. We cannot, of course, contemplate having hydro plants built on fish-producing streams that otherwise would ruin the fishing industry until some way has been found by which the fish may be passed safely around, through or under these dams. I am pleased to say that experiments are being carried out now which are meeting with a degree of success. I have myself seen fish led around in a tank by electrical methods. It is quite easy to do that in an experimental tank, but there are great difficulties when it comes to the question of guiding millions of small fish in an open stream. However, the project is being examined.

Experiments are being carried out, but I regret to say that the majority of those experiments are being carried out in the United States by the United States corps of engineers. They are spending annually something like $400,000 in just carrying out these experiments. A small grant has been made to the University of British Columbia, and I believe something in the neighbourhood of $60,000 is to be spent this year in my province.

I say that these are the two challenges to this government. If they sit down and do nothing about the development of our rivers, and if they will not examine into and produce some results regarding fish migration so that the streams and rivers of British Columbia can be used both for hydro development and for fish production, then they will have fallen short of the task which they should undertake.

These great projects cannot be undertaken by one government alone. As this amendment points out, these must be joint investments with the co-operation of the provincial governments. Therefore I do urge this government to tackle this job seriously and to enter into the fullest and closest co-operation with the provincial governments in order that Canadians may get the full benefit of their resources and we shall not see them being developed and taken away from us by the United States, or by any foreign concern.

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I rise this afternoon, again at the risk of being styled an expert in the field of engineering by some of the western members. However, I should like to say a word on power as it affects the province of New Brunswick. We do not need hon. members from the west down in New Brunswick to teach us Social Credit doctrine, either.

An hon. Member: Why did you invite us?

Mr. Murphy (Westmorland): You invited yourselves. When I came to this house I had the honour and privilege of being associated with and having for my office mate Mr. J. G. Boucher, who was for a number of years the chairman of the electric power commission, or the hydro commission, whatever the proper title is, in the province of New Brunswick. Mr. Boucher, while in office in New Brunswick, laid out a policy of thermol units that I believe will be followed some time in the future by the present authorities.

I shall leave the Beechwood project to some of my colleagues from New Brunswick to go into fully. I will say in passing, however, that in the Moncton *Transcript* of February 18, 1956, Mr. Cleophas Leger, M.L.A., says this about Beechwood:

> Turning to Beechwood, Mr. Leger contended the province could build the project on its own resources, claiming tax rental funds would be sufficient "if this government did not waste it elsewhere."

That is the government of New Brunswick.

> He charged that the Flemming administration "had in its hands a good part of the money needed for Beechwood and it came from Ottawa. But the government frittered it away on less important things".
>
> He said first things were not given first consideration. He added that federal help to the province had been steady in the past and more would be available when "we are prepared to use it wisely, without wasting it".

I should now like to compare the potential industrial expansion of the province of New Brunswick with the New England states. During the course of my remarks I shall be using figures that come from a survey called "Power in New England", a report of the power survey committee of New England council, the chairman of which was E. H. Hunter, chairman, New Hampshire public service commission; from Maine, Edward E. Chase, president, Maine Securities Company, Portland; Bryant L. Hopkins, engineer, Kennebec Water Power Company, Waterville. Associated with these men were approximately 20 or 25 men from the states of New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut.

In their report they publish a bibliography which has the following authorities: Published reports of federal power commission; published reports of Edison electric institute; published reports of corps of engineers, U.S.

army; statistical abstracts, United States department of commerce; water supply papers, United States geological survey; congressional reports on St. Lawrence seaway projects; journal of Boston society of civil engineers; publications of national electric light association; reports to public service commission of Vermont on flood control power and storage projects by H. K. Barrows; report to associated industries of Massachusetts of its power investigating committee, 1924; reports of Maine state water power commission; reports of New Hampshire water resources board; reports of Maine public utilities water power and storage commission; report on development of inland waterways of Massachusetts by special commission; water resources of New England, New England regional planning commission; report of the special commission on regional planning commission; report of the special commission on the development of inland waterways, 1947, commonwealth of Massachusetts.

I wanted to have my authorities on the record so the report could not be considered as a trivial one. Because water power was a prime factor in the original development of industrial communities in New England it has become magnified in the minds of many with respect to the present situation. Hydroelectric power is cheap only in the most favourable locations, of which few remain undeveloped; and of all the industries of New England using water power, perhaps the only one in which the cost of power might be a determinant factor in its location is the pulp and paper industry.

During the depression years between 1929 and 1939 a number of industrial-owned power plants were discontinued, and the output fell from 1,800,000 kilowatts to 1,200,000 kilowatts. During the war years this reduction in the production of power ceased and it increased somewhat. Since V-J day 1,144,000 kilowatts of capacity either have been constructed, were under construction or are on order in New England. All this capacity will be in use by 1951; this is the report of 1948.

Ninety-one per cent of this new capacity is owned by utilities, and of the new capacity 91 per cent is steam power. This capacity will build up reserves that were depleted during the war years; and 81 per cent of the new capacity will be located in Massachusetts, Connecticut and Rhode Island. From 65 to 75 per cent of all electrical energy generated in New England in the 1948 period came from steam plants. In the United States as a whole from 60 to 65 per cent of the energy generated is from steam plants. The exact percentage from year to year depends upon the rainfall and the extent to which the hydro development plants can be operated.

This predominance of steam generated power will be accentuated in the future because the number of feasible undeveloped water power sources is limited. It is therefore logical that the cost of steam power is the best comparison for determining the economic feasibility of hydro developments. During the last century steam generating plants have increased in size, efficiency and complexity. They are now built in locations where coal and oil are available, and where water for condensation is readily accessible.

I should like to put on record a table with respect to New England. In Massachusetts electricity produced by utilities was 1,254,000 kilowatts; 592,000 kilowatts was produced by industrial corporations, the total being 1,846,000 kilowatts of which 87·8 per cent was generated by steam power.

In Rhode Island utilities produced 319,000 kilowatts; industry produced 78,000 kilowatts, a total of 397,000 kilowatts of which 96 per cent was produced by steam generated plants.

In Connecticut 828,000 kilowatts were produced by utilities; 246,000 kilowatts was produced by industrial producers, a total of 1,074,000 kilowatts. Of this power 90·3 per cent was produced by steam generating plants.

In New England as a whole 2,617,000 kilowatts was produced by utilities and 1,079,000 was produced by industrial corporations, a total of 3,696,000 kilowatts. The over-all percentage for New England power produced by steam generated plants was 74 per cent.

The annual cost of power available from steam plants is made up of two components, the first of which is capacity cost. This is composed of annual fixed charges on the capital investment plus the annual operating and maintenance expense. The second is energy cost, which is the fuel cost expressed in mills per kilowatt hour. The coal which is used in New England averages about 13,500 B.t.u. per pound as received. On this basis the 1947 cost of coal in Boston was about $7·80 per ton.

It appears to me that in the province of New Brunswick, with its limited water power sites that are feasible for harnessing, and perhaps more so in the province of Nova Scotia, we must turn to the thermo method of generating electricity. I believe the normal increase in the use of electricity will take up any hydroelectric power that is generated in the next several years in the province of New Brunswick. As has been pointed out in this

report, the use to which hydroelectric plants can be fully put depends upon the rainfall. For example, last year in New Brunswick we had a very dry summer. Last year would be a model year for the combining of thermo power and hydroelectric power. In the province of New Brunswick we have the coal fields at Minto, and in addition to that we have vast coal reserves in our neighbouring province of Nova Scotia.

This committee reached some conclusions in their report, and I should like to read a paragraph or two of those conclusions, as follows:

> New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut use about 89 per cent of the utility power produced in New England and constitute an integrated system. This area is dependent on steam power for the major part of its power needs because at present about 80 per cent of the generating capacity is steam. Even if all the undeveloped hydro power in this area were built regardless of whether it is economically feasible or not, it would not take care of half the expected increase in load during the next ten years. Therefore it is obvious that a large addition to the steam capacity will be required.

The report has this to say concerning the cost of power in manufacturing:

> The importance of the cost of power in manufacturing has been greatly overemphasized. Except in a few industries the cost of power averages less than 2 per cent of the total value of manufactured products in New England industries. It is, therefore, obvious that the question of cheap power is not a determining factor in management decisions regarding location of manufacturing plants except for certain heavy industries. Other factors such as labour, markets, and materials are the principal ones which govern these decisions. A change in power rates which affects such a small part of the value of a product has an extremely minor effect on its total cost, but the importance of having a source available which provides reliable power when it is required cannot be overemphasized.

I believe that in the province of New Brunswick and in the Maritime provinces as a whole we are somewhat in the same situation as the New England states. No one can deny that the New England states, especially the area centred around the state of Massachusetts, are highly industrialized. They have no greater hydroelectric potential in those states than we have in the maritime provinces, but of course they do have a geographic advantage with respect to markets.

I believe that the policies laid down by the late J. G. Boucher of New Brunswick hydro power commission should be dusted off in many offices in New Brunswick, and then I feel that within a short time the province of New Brunswick will come back to a combined system of thermal and hydroelectric power.

[Mr. Murphy (Westmorland).]

Following this report the *Electrical World* of November 27, 1948, had this to say about it:

> New England Must Rely on Fuel, Not Hydro Power
>
> Fuel-generated electricity must be the backbone of New England's power supply for many years to come. Valuable as economically warranted hydro may be, there simply is not enough of it undeveloped and practicable in the northeast to meet New England's needed 1,100,000-kw generating-plant expansion in the next decade.

And later:

> The report points out that the importance of the cost of power in manufacturing has been greatly overemphasized. In textiles, power is but 2·3 per cent of the total cost. For industry as a whole in the area, it is but 1·4 per cent.

I realize that the conditions in New England are not on all fours with those in New Brunswick, but I believe the ideas and findings contained in the report of that committee would be of assistance to New Brunswick. As I said previously, I wished only to place the importance of the generation of electricity by coal before this house. My colleagues from New Brunswick will deal with the development of hydroelectric power, but hydroelectric power alone is not enough for the province of New Brunswick; we must have thermo-developed power as well.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, there have been some very interesting comments made during the course of this debate. In fact the very first speech contained some extremely interesting comments including an invitation to political merger—I said merger, not murder.

I should like to deal with that for a moment. I was most interested in the invitation of the Leader of the Opposition that the two parties sitting in this corner of the house should combine with the Conservative party. It is with the utmost regret and respect that on behalf of this group I must decline the proposal. I do not think I can even give the traditional answer of the coy maiden and say that we shall be a sister to them.

On the other hand there is a field in which I think we could do a little cultivation with some benefit. I would suggest to the hon. gentleman that he follow the example of his former party colleague, the premier of British Columbia, who having discovered that the old gray mare of Conservatism was not what she used to be in British Columbia, very nimbly leaped from her on to the back of the piebald pony, Social Credit, and rode into power.

In case the Leader of the Opposition thinks there is any danger in this manoeuvre I would commend that he follow even more closely

the activities of the premier of British Columbia, for he will find that the Social Credit party is still quite firmly in the grip of two gentlemen, who not so very long ago were members of the Progressive Conservative party. I am not sure that the Leader of the Opposition is as politically agile as is the premier of British Columbia, but I believe the premier of British Columbia would be prepared to give him a course of lessons at a reasonable rate of remuneration.

I am convinced that this is the wisest policy for the Conservative party, even more so after having listened to the speech of the hon. member for New Westminster (Mr. Hahn) yesterday. Just in case I might be accused of misquoting him, I should like to place some of his words back on *Hansard*. They will be well worn words by the time *Hansard* gets through with them. I quote from page 1352 of *Hansard* of February 20, where the hon. member is reported as follows:

> It might be said, why cannot the people of Canada finance that development? I am satisfied that you realize as well as I do, as do most of our socialist-minded friends, that you cannot build a huge dam for nothing; that is just wishful thinking. Some of these dams cost anywhere from $300 million to $750 million. It takes a great deal more capital than the Canadian public can afford to invest within the country for its proper development. We lack the capital for proper development.

Dear, dear, Mr. Speaker; this is from the party which has been enunciating with monotonous regularity, rather like an incantation, throughout the country that what is physically possible is financially possible. It removes the last possible obstacle to fusion between the two parties to the right in Canada. I am quite sure that the rest of us will be only too delighted to come to dance at the wedding.

Nevertheless I welcome this curious, shall I say rather un-Conservative, proposal that has been brought before the house. But like Oliver Twist I ask for more. I do not think it goes quite far enough. It is a very good thing to suggest that the people of Canada through the federal and provincial governments should co-operate in the development and production of power, but I think we have to ask ourselves something else. We have to ask ourselves for what purpose are we producing this power?

Mention has been made in the house of the Kitimat development in British Columbia. As has been quite rightly said, it is a most stupendous engineering project. However, it was accompanied by some rather dismaying results that were not envisaged because there was no over-all planning of that particular scheme. I refer of course to the devastation that occurred in Tweedsmuir park, much of which could have been avoided had there been a long-term plan prepared well in advance for the logging of that area. That project has earned a rather unenviable reputation with regard to certain aspects of the conditions under which the workers in that area must work.

For a number of years we have had in British Columbia a publicly-owned power commission. I was in the provincial legislature when the power commission was set up. That commission has been engaged in very important development work, particularly on Vancouver island. However, it has been suffering from some severe handicaps imposed upon it by various governments in British Columbia. I think it is true enough to say that it was gone ahead with and developed for one purpose and one purpose only, to provide cheap power for certain large industries which were about to be established on Vancouver island.

Its devotion of power to those purposes makes me think that we should ask some further questions. For instance, we should ask this question. Is it enough to plan to produce power to supply a pulp and paper mill which as parts of its operations is going to produce raw material for the comics which the hon. member for Kamloops (Mr. Fulton) has been fighting so vigorously for a number of years, simply to add to the flow of trash which comes from the printing presses? Are we to be satisfied with merely providing power and letting those who receive it go on and use it as they will.

No, Mr. Speaker; we have had a lot of warnings lately, and these warnings have come from people to whom I think we should listen very carefully. Quite prominent among the voices have been those of Canada's Secretary of State for External Affairs (Mr. Pearson) and Minister of Fisheries (Mr. Sinclair). They have been bringing us some very serious news about which we should be thinking very carefully.

The main warnings they have been bringing us are these. They warn us that it is only at our peril that we underestimate the industrial and economic capacities of the communist world. They warn us also that we shall be running very severe risks if we harbour the comforting illusion that the peoples of the communist world are in a state of incipient revolt, for the evidence they have brought us indicates that the exact contrary is the case and that the people in that area are not only supporting their government but apparently supporting it with considerable enthusiasm in the pursuit of a certain goal.

I should say at this point, Mr. Speaker, that no Liberal, no Conservative, no supporter of

private enterprise can have experienced one-quarter of the dismay and the disillusion experienced by socialists regarding some of the developments within the Soviet union over the last 30 years. Only a socialist, I suppose, could have had that disillusionment at seeing what began and what might have continued as a noble experiment in human relations and social organization degenerate through the years and develop many aspects of squalid tragedy and repression of human dignity.

Nevertheless, as this rising chorus of warning voices tells us, merely because we have been disillusioned with what has gone on there, merely because we see with all too clear eyes the tremendous gap there is between the socialist ultimate aim and what has been accomplished in the communist world, we would do well not to delude ourselves into thinking that because we do not like some of its aspects it is not an economically viable and valid regime; a regime, moreover, that is at the present moment offering the greatest threat to people of our type of thinking in the world. It is offering a threat because it has developed that enormous industrial potential, and the reason it has developed that enormous industrial potential in the short space of one generation is perfectly plain and perfectly simple for anyone to read. There has been deliberate, conscious planning of the development of resources and power in that country for a specific purpose.

We may have our doubts about what the ultimate purposes of that planning are, and no one knows; but one of its by-products is that it has developed an industrial machine there that those in this country who should know warn us threatens our supremacy in North America in the industrial world. I think when we are considering the question of developing our power we should be considering that thought, as to what is the purpose of our production in this country. I have been amused sometimes at the comfort that certain people in Canada and the United States have taken from the plainly much lower living standards of the peoples in the communist world. They have deluded themselves into thinking that these lower standards are a sign of the incompetence of the Soviet economic machine, and of course all they are a sign of is the ruthless efficiency of a totalitarian regime that can make economic plans without too much consideration for the happiness or convenience or comfort of the members of its society.

Mr. Hahn: You would not advocate that, would you?

[Mr. Cameron (Nanaimo).]

Mr. Cameron (Nanaimo): I am not advocating it, but I am suggesting it would be even more foolish to pretend that it does not exist and that it is not an effective method of producing goods of certain qualities, certain varieties and estimated in determined quantities. I also suggest that here in North America we run very serious risks if we think we are going to be able to compete with that sort of danger by the haphazard, unplanned type of production in which we engage today. It is not good enough merely to plan where we are going to get a source of power to operate our industries. We have to plan also as we planned during the last war. We have to plan to do it without unnecessary waste of our resources.

I wonder, Mr. Speaker, just how long the people of North America are going to go on smugly deluding themselves that they can continue to destroy natural resources like a horde of hungry locusts for the most trivial and childish aims. How much longer are we going to make the goal of our industrial and social life bigger and better automobiles to cause more problems in our cities? How much longer are we going to continue to haggle over the appropriation of a few million dollars to improve our admittedly inadequate educational system, while at the same time we observe with complacency the investment of millions upon millions of dollars in the production of useless trash for the debilitation of our population?

Has anybody thought to compare the cost of establishing, shall we say, one of these junior colleges that the province of Ontario has announced it is about to establish with the cost of producing astronomical numbers of bottles of pop to rot our children's teeth? That is the sort of thing we are doing with our resources today, and I suggest to you, Mr. Speaker, that we cannot very much longer go on doing that sort of thing without heading straight for disaster.

We could do it when North America stood without a peer in the world for industrial capacity and efficiency, but it is doubtful now that we stand in that position. We persist of course in continuing a standard of living, that standard which Thorstein Veblen has called conspicuous waste, and we have developed an elaborate advertising racket to pander to the very lowest, cheapest and silliest desires of our people in order to create a market for the production of trash in great quantities.

I have wondered just how long we are going to blind ourselves to this very difficult position that we are in today, and when we are going to realize that we have a supremely difficult task to perform. It is true enough

that in North America and in Canada we have in our society values which are supremely well worth preserving, values and standards that are perhaps the fine flower of human thinking, alongside this invitation to low standards that goes on under the pressure of modern business. We have to solve the problem of meeting our communist opponents on the field of industrial production while at the same time preserving for ourselves those elements of our society without which we would find life intolerable, and it is not going to be an easy job to do.

But, Mr. Speaker, I have no hesitation in saying that sooner or later our production is going to be planned by someone. Either we are going to undertake it ourselves on a rational basis; either we are going to set ourselves goals as we set them during the war, or someone else is going to do that planning and is going to do it with ruthlessness, in the same way it is being done in other parts of the world. We cannot escape that problem today.

The whole world is moving now toward the field of rational economic planning, and the Conservative amendment that has been produced here is a sign of that trend today. I am not in any way jeering at my Conservative friends when I suggest that only a few years ago their predecessors would have hesitated for a long time before they would have come into the house and advocated public investment. It is a step toward that goal of rational economic planning which we must meet if we are to survive in the world today. While it is true enough that we do not like what we see going on on the other side of the world, and while it is true enough that individual liberties have been trampled on, I sometimes wonder whether we do not embrace too large a territory under the spreading umbrella of liberty and freedom in this part of the world.

Is it really essential, Mr. Speaker, for the preservation of human liberties that individuals and groups of individuals should be left free to decide what they are going to do with our natural resources, at what rate they will consume them and what commodities they will make from them, without any regard whatever to the public welfare and without any regard whatever to a concerted, integrated social aim? That is the question we must answer and, in my opinion, we must answer it quickly. I suspect that sitting in this house are members who will, before many years, sit here and hear proposals which today would be denounced as rank bolshevism, and they will probably come from the most respectable quarters of this house when, under the heat of economic reality, fear, prejudice and superstition have been dissolved.

As I say, Mr. Speaker, I welcome the amendment of our Conservative friends. I wish it went further. For my part I expect to see before long not only resolutions in this house but actual undertakings in Canada along the lines of those of which I have spoken. I believe that not even the most purblind of our people will want to run the risk of extinction merely in order to uphold the shibboleth of liberty of man to exploit his fellow man, which is what we lump in under the whole general concept of freedom and liberty today. I believe that our people eventually, and before long, will awake to the fact that their individual liberty and freedom can be found only in a rational society in which the resources—including electric power resources and the other natural and human resources—are devoted to a certain determined and approved social goal.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I am glad to be able to take a short time this afternoon to speak in support of this resolution. It illustrates a line of thinking which is not particularly new to me. I think we should keep in mind what the resolution indicates. There is a tendency to get off on one branch of it and to concentrate too much on one phase of power. That is what rather surprised me about my colleague from New Brunswick, the hon. member for Westmorland (Mr. Murphy) when he was speaking this afternoon. I felt that he was against this suggestion. Maybe that is not so. I could not help wondering whether he is against hydroelectric development. I think this resolution covers the field of power from any source whatsoever. It is a co-operative affair.

We all realize that the development of power is within the jurisdiction of the provinces, and there is no indication, as a result of the suggestion in this resolution, that the situation should be otherwise. But it seems to me that in this federation of ours we are a family of provinces. We have our interprovincial boundaries. We have a long boundary between Canada and the United States of America. Hence we have our international problems.

These problems arise in many ways immediately you commence to consider the development of our resources. As soon as you start to consider industry, one of the first things about which they talk is the matter of power. Regardless of what may have been said here today, the cheaper the power the more inducement there is to industry. It is true that other things must be taken into

consideration. The fact that we have interprovincial and international problems in this country seems to me to constitute a reason why there should be evolved a national policy whereby, in all these situations, there should be co-operation between the dominion and the provincial authorities.

There may be many situations in which a province does not want the co-operation of the federal government. In such a situation I do not think the federal authority should impose its will upon the province. But I believe there are many situations in which co-operation is required. As was mentioned previously, it is more or less left to members from various provinces to deal with specific areas.

I have reference to the situation in which we find ourselves in my province. We have interprovincial problems and international problems there. We have possibilities of development which involve the crossing of not only provincial but international boundaries. I am not going to spend any time in going into all the details of this matter, because I know the government have those details. Surveys, investigations and recommendations have been made. The point, however, is this. If any province has a sound policy of resources development—and I contend that we in my province come within the bounds of what I am going to say—and if there is a demand for the product of those resources but unfortunately owing to size there is lack of financial backing, it should have a right and should expect to go to the central authority that sits over all the provinces and put forward its proposition. I think it has a right to expect that the central or federal authority will give serious and sympathetic consideration to the development of the type of policy which a province outlines if it comes within those suggestions I have made. There may be others. I refer to a development that is found to be possible and where there is a market for the product.

I contend that we in New Brunswick are practically in that position. For years after confederation our industrial activity declined. If I had the time in which to do so, there are many things I should like to say about that matter. The hon. member for Westmorland when speaking a few days ago—I do not know how many figures he put on the record—gave this house a picture of what happened and gave a picture of how our industrial activity declined.

At the time of confederation or shortly thereafter, of the four provinces that went into confederation, my province had the highest percentage of population employed in industry. It had quite a margin, as a matter of fact. The figure was 6·3 per cent, and the average in Quebec and Ontario was only 5·50 per cent. In the years that have elapsed since then we have gone down to less than 4 per cent. Today we stand second to the lowest, while those other provinces have gone up to more than double.

It does seem to me that the intent of the planners of confederation was that generally speaking, possibly with some minor exceptions here and there, all parts of this country should develop at an even pace. It seems to me the idea was that the federal authority was to act as a levelling force where necessary to help each and every area in order that one area might not become dependent upon another. Within the last few years that is the position in which we have found ourselves. We hear it said that maritimers are always coming with our hands out. Being a maritimer I do not like to hear that, but we cannot say too much about it. I have heard it since I have come to Ottawa. We would like to be in a position in my province where we do not have to do that.

Within the last few years there have been tremendous mineral discoveries in New Brunswick, and with the development of those mineral resources it would appear that we could become not only self-supporting but contributors to the rest of this country. We have a fairly bright future. The one block in our way at the moment is power. The reason I like this resolution is this. We in New Brunswick—I should like to tell this to the hon. member for Westmorland but I think he must know it—are developing thermal power right along with our hydro power. We are not concentrating on hydro at all. There are not sufficient potential hydro sites available that have been surveyed and approved at the moment to meet the demands we know we must meet within the next 10 years. We cannot, therefore, hold up this program in which the federal authority may join with the provincial authority. If the federal and provincial authorities in co-operation feel that they can develop thermal power to better advantage, that is all right. We have no objection to that. What we need is power.

Last evening the hon. member for Inverness-Richmond (Mr. MacEachen) referred to the report of the Atlantic provinces economic council. I agree with those who spoke on this subject. I think this is the beginning of an organization which is going to be of great advantage to the Atlantic region. The hon. member referred to certain statements in that report which apply to the region as a whole. I should like to refer, Mr. Speaker, to some of the specific findings in that report which refer to my province of New Brunswick. Last September the council held what

was called an economic seminar at the University of New Brunswick. Apparently it was attended by some of the outstanding men in Canada and the New England states. I will not quote too much, but I should like to quote a few lines showing who these people were. The report says:

> In September, 1955, at the University of New Brunswick in Fredericton, we held an economic seminar which, to say the least produced encouraging results. Information and background on a wide range of economic problems facing the Atlantic region were discussed. An exchange of ideas between leading men in economic, government, business and professional fields were possible. Excellent representation by well informed personnel from the federal government, provincial governments, the universities, the New England council, research associations and business entities participated whole heartedly to make this seminar an outstanding success.

I am not going to read too much of the report, but further down it says:

> The seminar discussed at some length the opportunity for secondary manufacturing industries to develop in the region. That is, to provide profitable employment for the people displaced in the development of the primary industries.

Anyone who is interested may read the whole of the report, but I do not want to take that time. However, it says:

> In New Brunswick, for example, if large quantities of relatively cheap power are made available, primary mineralogical extraction could be supplemented by processing at points of power generation and large chemical industries established. Few people realize the tremendous opportunities for development that are slowly but surely taking place in northern New Brunswick . . .

I am sure all members will agree, particularly those from the maritimes, that this is a document which is the result of very serious study. These people are looking into the economic situation with the idea of improving it. It is a non-political organization, and they really want to do something. You know what they say about my province; there are tremendous opportunities.

In addition to the development in northern New Brunswick, very near my home they are starting to develop a large body of iron and manganese ores. I know definitely that this development will call for large blocks of power, and I do not care whether it is hydro or thermal power. What we want is power, because we must have power before this development will take place to the fullest extent. The hon. member for Gloucester (Mr. Van Horne) may know more about the project in northern New Brunswick than I do, but it is something that if fully developed would put northern New Brunswick in a far better position than it is today. The one in my section of the province, when it gets into development, will certainly create a tremendous lot of activity and will attract secondary industry.

What we need more than anything else is far more people. We have the space for them and we can grow the food for them to eat. We need markets closer to home. As you know by this time, agriculture in New Brunswick has its drawbacks, and one of the drawbacks is the long haul to markets. As is pointed out in this economic report, what we need is a market closer to home. We need more people and we need more industry.

I know there is no necessity for me to try to sell the idea of developing the Saint John river. Beechwood is only one development on that river. The full development of the river includes storage as well as several other sites. I might tell the hon. member for Westmorland that there is no river in the New England states comparable to the Saint John river; in fact, there is no river comparable until one gets to the Mississippi. The people are obliged, therefore, to use thermal power.

I know also that figures are available, and I am sure the department has them, to show that the cost of developing thermal power over a period is far more than the cost of developing hydro power. In the beginning the cost may not be so high, but over a period of years hydroelectric power, if you can get it, is the cheapest form of power. If I had the time I could go into the last hydro development that went into operation at Tobique. Last year was a dry year. I wish that hon. members from other parts of New Brunswick could have seen the amount of power that came out of the storage at Tobique and the water that was held there and used. I am sure that we have far more storage than we get credit for. If the department has not this information already I can say that in the next two years it is to be surveyed.

What we need is a start. That is what the provincial government of New Brunswick have done. They did not start that project until they had had it well surveyed and well recommended. As the hon. member for Royal (Mr. Brooks) said yesterday, it has been recommended by some of the outstanding hydroelectric authorities in Canada. Last year I listened to the outstanding man in North America, our own General McNaughton, who is chairman of the Canadian section of the international joint commission. I know myself that he recommended Beechwood be the first start of that development. I think I can say without successful contradiction the steps that have been taken so far in New Brunswick are steps that have been recommended by the best authorities in Canada. But we cannot stop there. I do not believe we can stop when we get the Saint John river development.

There is a future for the maritimes. A policy developed in accordance with this amendment would and should take hold of such a proposition as the Chignecto canal. I hope the hon. member for Westmorland (Mr. Murphy) does not think I am quoting him too often today—

Mr. Murphy (Westmorland): So long as you are quoting me you are all right.

Mr. Montgomery: Sometimes I quote with approval and sometimes not. The St. Lawrence seaway development will never be complete as a Canadian project until the Chignecto canal is also completed, because it will open a brand new seaway. It will save a lot of mileage and cut down freight rates. We need that canal. In connection with the canal, the federal authority should look into the proposition of power from it. I am satisfied that power could be developed there. I base that opinion on the information we have received. The federal authority should come into the picture and commence to make scientific surveys, looking ahead to the next few years.

Once we have the Saint John river system developed, once we have used all of our other resources—and we shall continue to develop as fast as we can with the thermo—we shall need more power in the maritimes. I believe we can regain our economic position in this country. We have one of the greatest coastlines in Canada. There are harbours for ships; there are opportunities to ship freight from all points in the maritimes to halfway into Canada by water. There is no reason in the world, if we once get started, why we cannot have a good life in that part of Canada. As far as my province is concerned, we are receiving inquiries already. The one block is power. I have no idea what negotiations are going on. The New Brunswick representative in the cabinet knows more about it than I do. I do hope that he and his government will see their way clear to assist in some way that little province to develop power in order to develop industry, increase the population and give work and markets to our own people.

We are a small spot on the map. You look at a map of Canada and you see us down there in the maritimes. I think that is one reason why we have sort of become the forgotten people so far as the rest of Canada is concerned. I know that when I came up to Ottawa I had to get accustomed to the people up here talking about the people in the east. I soon discovered it was not the maritimes they were talking about. When they were talking about the people in the east, they were talking about the people in Quebec and in parts of Ontario. To my mind there is a big country beyond that; there are a lot of people beyond that, and there is a great chance for industry beyond that. We as a part of the federation of Canada on the fringes deserve to be helped in order that we may help ourselves.

I am not going to take up much more time, but I want to sum it up in this way. The people of New Brunswick believe that a new deal is in the offing. New mines have been discovered, and there is nothing small about them. Manganese is something that North America wants. We need power, but we are small; financially we are poor. There is no question about that.

An hon. Member: You have had a Liberal government too long.

Mr. Montgomery: Something has been the cause of it, but I will not say what. Since the hon. member has brought that up I will say it has been said that the darkest shadow of confederation was the decline of the industrial activities of the maritimes. A lot of it may have been our own fault. I am strong in my belief that confederation was a proper step. I believe it has been a great thing. It has helped develop this country; it has helped to build us into a great nation; but let not the central part of Canada, let not the central government, forget that we are down there. Whether it is right or not, you are not going to convince the people of the maritimes that this government is not helping, indirectly at least, Ontario in its power situation in so far as the St. Lawrence seaway is concerned. I am not saying it is right, but they have that feeling. When you have the public feeling that way it is something to which the government should pay some attention.

Today in the maritimes we have a brighter outlook, especially in my own province. I think that feeling is backed up by the report I have here, which is nonpolitical. The men concerned with it are the best brains in the maritimes and they are working. I am going to wind up by saying I know that this government have the facts. There is no use in our trying to tell the government what the situation is. We are starting to develop something that has been approved. It happens to be hydro at the moment. We need assistance. I trust and hope that this government can see its way clear to adopt a policy in quite a substantial way. I am all for adopting a policy that will apply to all parts of Canada. Although my remarks have been confined to my province, I am not particularly advocating that New Brunswick be given help that cannot be given to some other province that needs it. I feel that the province should

organize its own plan of development. The province should take a lead, and I believe we are doing that. I do not believe that any province should sit back and wait for the dominion government to come and tell it what to do. I believe that the provinces should take a lead, should organize their policies and be able to put them in black and white before the central authority and be able to show that they are sound policies. And when they do that I think we in the federal house should have a national policy with which we can meet them. If we need enabling legislation to do that, let us then get that enabling legislation. Let us have it so that the dominion government may have the tools at hand in order to carry out the proposition with any province on any sound development plan that may be put before it.

I do not want anyone to think that I am asking for something special for New Brunswick or the maritimes. I want that to come through a national policy which could be used or adapted to any other part of the dominion and I think that is the way we must look at it.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I wish to say immediately that I agree wholeheartedly with nearly everything that has been said by the hon. member who has just taken his seat.

I believe you will find that the members representing constituents in New Brunswick all realize that we have great power there and electrical energy is one thing which we need in abundance. I would also say that the Liberals federally and provincially in the province of New Brunswick have never taken any other stand.

I have expressed my views on two different occasions in this chamber with respect to the Beechwood project and I am going to deal with it again today although at no great length. I have always believed there was power that could be economically developed on the Saint John river and I have never said anything different. However, I have been bitterly opposed to the way the development was started.

Only a few days ago an item appeared in the Saint John *Telegraph-Journal* concerning a remark made in the provincial legislature of New Brunswick by F. A. McCain, a Progressive Conservative member of the provincial legislature. He quoted my remarks in connection with Beechwood which I had made in this chamber and at that time he stated that my remarks were most unpatriotic. Well, he may consider that they were unpatriotic but I maintain that the way in which the Beechwood development has started is wrong. I maintain that it should never have been started until we had storage rights in the state of Maine and in the province of Quebec and if we do not obtain those storage rights what we have done so far is a complete waste.

Mr. Brooks: Nonsense. That is complete nonsense and you know it.

Mr. Stuart (Charlotte): That is my opinion. The hon. member for Royal (Mr. Brooks) had a lot to say yesterday and I did not interrupt him. He is entitled to his opinion and I am entitled to mine and our opinions will never agree because he is a Tory and I, of course, am a Liberal. However, I believe that I should have the right to express my views.

At this point I might say that the hon. member for Royal accused the federal government of being asked to take part in the proposed Passamaquoddy power development which it refused to do. This morning I got in touch with the Secretary of State for External Affairs (Mr. Pearson) and this is the reply he gave me to the question which was raised by the hon. member for Royal:

> . . . my understanding is that the joint resolution requesting the Secretary of State to arrange for the international joint commission, (Canada and the United States) to conduct a survey of the proposed Passamaquoddy tidal water project was passed by congress and signed by the president. This resolution became public law on January 31. I further understand, however, that as yet no request for participation in this project has been received by the Canadian government.

I believe that will answer the criticism in so far as this government being unwilling to take part in the Passamaquoddy development is concerned.

The amendment we have before us today is of course a want of confidence vote in the government so every one should readily understand how I would feel when it comes time to vote. The amendment was introduced by the leader of the official opposition and in introducing that amendment he covered the whole area from Newfoundland to British Columbia and we again listened to the same thing we listened to in another debate which is still going on in this house.

It reminded me that this group might be placing the electric power of this country on the auction block to see if they could make some progress between now and the day that a federal election might be called. This same procedure has taken place in this chamber in every period previous to election since I came here. There is always a period when the electric power is put on the auction block to see who can make the best bid for their supporters but I am sure the Canadian people are not too much interested in this type of politics.

Power Development

It is also very noticeable to me that the leader of the official opposition has become much more generous since he came to Ottawa as leader of the official opposition than he was as premier of the province of Ontario.

Mr. Rowe: He did a pretty good job there.

Mr. Stuart (Charlotte): As premier of Ontario he stated on more than one occasion that revenues obtained from the citizens of the province of Ontario should be used exclusively for the citizens of that province. That is on record in many parts of this country and that statement has been used time and time again. But since he has no responsibility, and he has no great responsibility here, he can make these fantastic remarks without giving them too much consideration; but the people still look back and remember him as the man who was the premier of Ontario and they recall the attitude he took at that time.

I might also add that the hon. member for Royal who interrupted me a few minutes ago was not quite so generous when he was a member of our provincial legislature as he is since he came to Ottawa.

Mr. Brooks: How about Mackenzie King's policy; not a five cent piece to a Tory province?

Mr. Stuart (Charlotte): That is correct but I am telling you that you did not give a five cent piece to your own province.

Mr. Knowles: Is the hon. member addressing the Speaker?

Mr. Stuart (Charlotte): I am addressing my remarks to the Speaker; that is correct. The amendment which has been moved by the Leader of the Opposition embraces this great country of ours from Atlantic to Pacific; he now wants to help everyone in the country. It is somewhat like the suggestion of my hon. friend for Royal that if all the policies he had advocated were put into effect the income tax would be more than doubled today in order to take care of them. But you can always be most generous when you have no financial responsibility. You can always be most generous when someone else must bear the responsibility. If you look at the record of the province of New Brunswick when he was a member of that government it does not coincide with the attitude the hon. member for Royal takes at this time because I can assure you his generosity at that time was not nearly as great as it is now that he is a member of the opposition sitting in Ottawa.

Another matter which was most noticeable to me in this debate was the great plea that the leader of the official opposition made for the support of the other parties in this house. Only a few weeks ago a convention was held at the Chateau Laurier hotel in Ottawa and I very well remember the remarks of the hon. gentleman at that time that there would be no collaboration or coalition with any other political group in Canada, that they would stand on their own feet. Well, I think yesterday was an excellent demonstration that that slogan has already been discarded because if I have ever heard a plea for the support of other parties in the House of Commons I heard it yesterday when the Leader of the Opposition was addressing this chamber.

It is most confusing to the citizens of this country to hear one story one day and a direct contradiction within the next two weeks but that is what we have had to contend with here for quite some time.

My thoughts also go back to the dominion-provincial conference which was held in Ottawa the first year I came here as a member in 1945. The gentleman who is the leader of the opposition today and who was so generous as the premier of Ontario at that time attended the conference. I sat in on quite a number of the discussions that took place whenever I was able to get in. It is a well known fact, and I am sure that he will not contradict it, that as premier of the province of Ontario he took the same attitude at that conference. Hon. members no doubt have heard what occurred at that conference. It has been stated ever since that the premiers of the two provinces scuttled the conference. I can assure you that at that time he had no idea of any division of wealth belonging to Ontario with any other part of this country; the wealth that was within the province of Ontario was to stay within the province of Ontario. That is the attitude he took at that time and that attitude was maintained until he came here as leader of the Progressive Conservative party.

Mr. Michener: Not a word of truth in it.

Mr. Rowe: That is your statement.

Mr. Stuart (Charlotte): That statement was made over the air and in the press. Everybody has heard it. You have read it and everybody else has read it. We all know the attitude he took as premier of Ontario and we know the attitude he is taking now, the generosity he is prepared to show today.

Mr. Rowe: That is not—

Mr. Stuart (Charlotte): I do not interrupt the hon. member when he speaks. I am sorry I am saying things that he does not like to hear, but these are my opinions.

Mr. Michener: Would the hon. member permit a question? Referring to that conference, does the hon. member remember

that the then premier of Ontario, now the Leader of the Opposition, proposed what were called national adjustment grants which would do the same thing as the equalization fund now proposed by this government?

Mr. Stuart (Charlotte): I never heard the word "equalization" used. I do not know whoever used that word and I will not argue with you. But I will say this: If he had this spirit of generosity why was he afraid that the people of Quebec might get a little benefit from the province of Ontario? We all know his record. The hon. members of this house know his record as well as I do. The hon. member for Royal had this to say, and I quote from page 1362 of *Hansard* of February 20:

> This has been the attitude of hon. members opposite. It is also the attitude of the opposition in the province of New Brunswick. We need the development of Beechwood in the very worst way, but because they think it will bring some credit to Mr. Flemming, the premier of New Brunswick, they are trying to discredit it in every way they possibly can.

If that was not introducing a political subject into this debate, I do not know what it was. I have told the hon. member for Royal and others exactly where the Liberals in New Brunswick stand on this question. They realize the great need for power in New Brunswick. We all realize that.

Mr. Brooks: They all voted for Beechwood.

Mr. Stuart (Charlotte): They all voted for Beechwood with storage rights, but they did not vote for Beechwood without those rights. There is no guarantee that we can get those rights. On many occasions I have spoken to the former member for Temiscouata and I have concluded that we will have a problem on our hands in obtaining storage rights in the province of Quebec. I can assure hon. members of this house that without storage rights the Beechwood project will never be a success.

To substantiate that statement I should like to place a few figures on the record. The flow records at Pokiok, below Beechwood, show that from July 1 to December 31, a six-months period, there was not one day with a sufficient flow of water to run the two proposed 45,000 horsepower turbines. During that same period of 184 days, there were 119 days when the volume of water was not sufficient to operate even one unit at capacity. I know that somebody will say that last year was a dry season, and we will all admit that, but let me say that for the year of record ending September 30, 1954, there were four months when the average monthly flow was below that required to operate two units at capacity. That was a year of exceptionally heavy rainfall.

For the year of record ended January 30, 1953, there were nine months during which the average flow of water was insufficient for the capacity operation of the two units.

Surely that should convince any fair-minded person that we cannot produce power without water. We can never expect to have full capacity at Beechwood without storage rights. That is the attitude Liberals have taken on this matter both provincially and federally since it was first mentioned. I still think it was a terrible blunder to have attempted to build Beechwood before we had guaranteed storage rights above it. I hesitate to say, but to me it is doubtful if we will ever be able to get those storage rights.

There is another question in connection with Beechwood which I should like to mention this afternoon; that is, the way in which contracts for Beechwood were awarded. The contract for this project was awarded to Foundation (Maritime) Limited for $7,112,000. A tender was received from another Canadian construction company for $5,900,000. This would have meant a saving to the people of New Brunswick of about a million and a quarter dollars, and they need it. The people of that province want to know why Foundation (Maritime) Limited was given the contract when a tender had been received from a reliable contracting company at a million and a quarter dollars less.

Sub-bids on the complete processing of 360,000 tons of gravel for Beechwood were called. One bid was received from Terminal Construction for $1.27 per ton, another from Armstrong Brothers was for $1.20 per ton, but the contract was awarded by the Foundation company to Terminal and this meant a loss of about $26,000 to the taxpayers of New Brunswick.

From my experience and from the experience of many others down in that area this has been a purely patronage organization since it was established. It is that and nothing else. Even the lumber being used at Beechwood, and there are great quantities being used, is being purchased from one of the companies owned and controlled by the premier. I will not say it is completely owned, but it is partly owned. I say it is utterly wrong for the premier of the province to be benefited financially by the construction of the Beechwood project.

Mr. Speaker: I do not think the hon. member should leave the impression that the premier of a province is benefiting from patronage.

Mr. Stuart (Charlotte): It is a known fact.

Mr. Speaker: Even at that, I think the hon. member should keep in mind that the premier of the province is not sitting in this house and if there is any imputation as to his conduct I do not think it should be voiced in the house.

Mr. Stuart (Charlotte): I may say that I do not think there is anything wrong under our provincial constitution, but he should have been a little more careful. I do not think anything has been done that a man could be prosecuted for, but I can assure you that the people of the province are wondering why he was placed in such a position. There are six or seven companies with which the gentleman is associated which are doing business directly with the provincial government. It is a well known fact; it is something generally known in New Brunswick. I have heard it discussed many times.

Then in so far as the hiring of workers is concerned, at the Beechwood project, I should like to refer to the interjection a few minutes ago by the hon. member for Royal who said something about 5 cents to a province with a Conservative government. The gentleman who does the hiring and firing at Gagetown was a member of the local legislature of New Brunswick for many years. I know this gentleman very well. A few years ago we had a Tory government down there and he wrote the following letter to the premier of the province:

> I see by the paper that your government is giving the old country about 200 cars of potatoes. I want to say that we do not want to let a Liberal supply one barrel. Want a chance to supply my share when the time comes.
>
> G. W. Perry

Mr. Brooks: On a question of privilege, the hon. member said that this Mr. Perry was employing people for Gagetown. I know as an actual fact—

Mr. Stuart (Charlotte): I said Beechwood.

Mr. Brooks: —that he has nothing to do with Gagetown.

Mr. Stuart (Charlotte): I said Beechwood.

Mr. Brooks: You said Gagetown.

Mr. Stuart (Charlotte): I meant Beechwood. Excuse me. This gentleman is a member of the hydro commission and he has been looking after things at Beechwood, so judge for yourself what chance there would be of a Liberal securing employment at Beechwood under that set-up.

Mr. Montgomery: Would the hon. member permit a question? Does he know how many Liberals are employed there?

Mr. Stuart (Charlotte): At Beechwood? I can only say to my hon. friend that I know the manager of an employment office in New Brunswick approached the premier of the province and asked him if it would be possible to place a few unemployed in his town on the Beechwood project and up until last week he had not been able to have one of them placed there. I know from experience that the first thing anyone from my part of the country who has gone up there has been told is: "You have got to have a certificate from a Tory M.L.A. before you can be employed." That is no joke in New Brunswick.

In the building of the trans-Canada highway—and I am sure all Liberals here will support me because they know the story—for which the government is providing 50 per cent of the funds, you could not get employment driving a truck or at hand labour or using a pick and shovel or anything else unless you had a certificate from a Tory M.L.A. If the federal government undertook to assist in any way with respect to the Beechwood project we would have exactly the same set-up again. Yet they wonder why federal Liberal members from New Brunswick are just a little bit suspicious when mention is made of assisting the government there. It is a known fact that no Liberal could get a job on the trans-Canada highway.

Mr. Gauthier (Portneuf): No bread for the Liberals.

Mr. Stuart (Charlotte): Correct, and in my own county—

Mr. Brooks: On a question of privilege, I know what is going on in my constituency and I can truthfully say that there are as many Liberals being employed in the county of Queens, which is part of my constituency, as there are Conservatives. I do not intend to let the hon. member get away with any more of this nonsense.

Mr. Stuart (Charlotte): Let me say now that I cannot take that from the hon. member for Royal (Mr. Brooks). It seems to me that in this parliament Her Majesty's loyal opposition can say anything but the minute a Liberal gets up to say anything he is unpatriotic. There is something wrong.

Mr. Fulton: That is because of what you say.

Mr. Stuart (Charlotte): I can assure the hon. member for Royal that I am stating the facts and I can prove every statement.

Mr. Brooks: They are not facts and you cannot prove them.

Mr. Stuart (Charlotte): Yes, I can prove them.

Mr. Brooks: They are like the statements you have been making ever since you have been here. You cannot prove one of them.

Mr. Stuart (Charlotte): I can prove them by what has happened in my own county. I think it is worse than anywhere else. In Charlotte county if you are a Liberal then you are blacklisted as far as the provincial government is concerned. There is no job for you whatever. The only thing you can do is go hungry, and that has been going on since 1953.

I want to sum up the remarks I have made by stating again that all the Liberal members from New Brunswick, and we get together and talk over the situation, realize the seriousness of the power situation in our province. We all realize it and we are all in support of anything that will improve the situation, but we are all mighty suspicious of the manner in which these projects are being carried on at the present time.

There is plenty of evidence to bear out what I have said. It has been repeated in the provincial legislature within the last few weeks. The story has been told, and the people of New Brunswick know that the story is correct. When the time comes tonight for the vote to be taken I believe there is very little doubt that Liberal members from New Brunswick will support the government on this issue.

Some hon. Members: Oh, oh.

Mr. Stuart (Charlotte): Well, I shall support the government. I have never denied that I support the government and I am not ashamed of the fact because they are always right. Whenever a resolution or an amendment has been brought into the house to try to embarrass me the attempt has never been successful because it is always a pleasure to get up and vote against an amendment or resolution that you know is designed for that purpose. It will be a pleasure for me to do that very thing tonight.

I understand that the submission of the province of New Brunswick is now in the hands of the federal authorities and I hope to be able to see it in a few days. When we get the submission it will be carefully studied by members from New Brunswick, but I can assure other members that so far as I am concerned certain restrictions will have to be imposed before financial assistance is provided. I will want to know where the money is going to be used. I will want to know if it is going to be used for one class of people and not for another. We are all Canadians and one Canadian can get as hungry as another. A Liberal can get as hungry as a Tory. If we are going to go ahead jointly on this thing in an effort to try to improve the situation down there we have got to know exactly where we stand. We have got to develop power in New Brunswick in a way that will be helpful to each and every citizen in the province. When the time comes and the bell rings I will be supporting the government.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, in speaking on the amendment there are two problems I could quite readily discuss that are of great concern to the interior of British Columbia. The first is power development and the second is irrigation, but in the short time at my disposal today I think I shall by-pass irrigation and discuss it on the agricultural estimates. Before getting into my short talk on power, I should like to refer briefly to the humorous remarks of the hon. member for Nanaimo (Mr. Cameron) about horseback riders, weddings and so on that have been taking place in British Columbia. I should like to tell the hon. member and all hon. members that we in the Social Credit party do not enlarge our group by marriage but rather by adoption. I would invite all forward-thinking Canadians to renounce the Conservative, Liberal and socialistic theories they may have had and join our happy family.

Some hon. Members: Oh, oh.

Mr. Hansell: The only alternative.

Mr. McLeod: I come now to the amendment which we support wholeheartedly. However, there is one question that is in my mind, and I am quite sure that if the hon. member for Greenwood (Mr. Macdonnell) had been in the house he would have asked it long ago. Where is the money coming from? I am going to ask the Conservatives and the C.C.F. where they would get the money for public spending. Would they raise it by taxation, would they borrow from the banks or would they use the Social Credit system and monetize the wealth of the project itself?

In my estimation these are the only three ways in which such things can be financed, and I should have liked to have heard some of the previous speakers outline their policies for financing the projects which they are advocating. These are important questions and the people of Canada should know the answers, for they would have a terrific bearing on the cost of the project and, in the case of power, on the cost of the power that would necessarily be charged after the project was completed.

We in this group have the answer. We have a cost-free means of financing the development of our power and other resources for the use of our people under a plan of public

investment. We hear a lot about the kind of capital that is used in development projects. I am surprised to hear that our C.C.F. and Conservative friends have become so alarmed about United States dollars. I am not so alarmed as long as our governments, and I emphasize this point, are prepared to safeguard our people from exploitation and unfair practices. It can be done and when this is done I think it is not a matter of great importance from what source the money comes.

I do not believe the hon. member for New Westminster (Mr. Hahn) placed United States capital at the head of the list as the desired medium for developing Mica creek. However, there are always those looking for political capital who can twist words around to suit their own train of thought. Speaking for myself and this group and, I believe, for every member in the house may I say that I would certainly like to see our natural resources developed by Canadian capital. We have it stated, I understand, that at the end of the past year there was over $6 billion on deposit in savings accounts of the people of Canada. I often wonder why these people are satisfied to leave that money on deposit, drawing a low rate of interest, and I often ask this question: Why not invest in the future of Canada and the welfare of Canada?

I heard someone here last night in this debate say that Canadians were poor gamblers. That may be so. Perhaps we would rather clip our 3 per cent bonds and be sure than invest in these projects to which there may be attached some risk. But then, if that is our attitude, why do we sit back and blame the Americans if they are prepared to come in, take that gamble and provide the money for the development which we are afraid to tackle?

I am not making any plea for the United States investor. In the development of our Canadian resources I am firmly convinced that the first to enter this field should be the private Canadian citizens. Second, if there is not sufficient capital forthcoming from that source, the required balance should be made up by public investment. In the event that either is not sufficient to provide the development necessary for the welfare of our people, the third and last resort is foreign capital. But I say this. We must have development.

At this point I should like to read a short excerpt from the Revelstoke *Review* and I would ask the hon. member for Kootenay East (Mr. Byrne) and the hon. member for Kootenay West (Mr. Herridge)—who is not in the house—to pay particular attention to it. It is dated Invermere. The Windermere section of the Invermere board of trade at their February meeting heard an address by Dr. Coy, who is the head of their committee, on the Columbia river development.

> Dr. Coy pointed out that the Columbia river is the logical source of power for the interior of British Columbia and said that the increase of population and the continued well-being of the people is contingent upon obtaining an adequate and cheap source of energy.
>
> All investigations have shown, he said, that the building of a high dam at Mica Creek is the first step in the development of this river to obtain the necessary hydroelectric energy.
>
> The undertaking can be done, the speaker said, only by agreement between the government of British Columbia, the government of the Dominion of Canada and the government of the United States.
>
> The meeting unanimously passed a resolution presented by Dr. Coy that provincial and federal governments be urged to confer on the problems and place for construction of the dam without further delay and further that the B.C. government, in the opinion of the Windermere district board of trade, would best serve the interests of the people of B.C. by giving sole rights on this project to the B.C. Power Commission.

For the benefit of those in other parts of Canada I may say that the B.C. Power Commission is a public investment corporation in the province of British Columbia for the development of power projects. We are quite proud of that corporation. They have done a splendid job. They have opened up many resources and have provided power in many parts of British Columbia in which I am sure private capital companies would not have provided it.

This whole field of public investment was one of the first things discussed at the beginning of this session. I think we all recall the words of our own Prime Minister (Mr. St. Laurent) when he was speaking on federal-provincial relations in the light of the recent conference. It was during the throne speech debate. As reported at page 49 of *Hansard*, these are his words:

> I said we felt that parliament should not provide for sharing in the cost of provincial projects except in special circumstances and as a part of a policy which we could justify on national grounds.

I think those words are well spoken. I think this whole problem of public investment, as I said before, should be entered in order to fill the breach where private capital is unable to fill the bill. As I say, I agree with the words of the Prime Minister 100 per cent. In fact, I also believe that the less the federal government become involved in provincial affairs, the better for all concerned. But we have a peculiar situation in relation to the development of power on the Columbia river. This government has already declared that such a development is in the national interest. I think all who recall the debate in the house last year will

not dispute that statement. Hence the government—and I mean this national government—is committed to the Columbia development program.

Last year we heard much about the building of the proposed Mica creek dam. We in the interior had high hopes that such construction would be under way this year. But for some reason—and I am not going to lay the entire blame at the door of this government—all plans for the development of the Columbia are at a standstill. We hear nothing about Mica creek. Despite what the hon. member for Inverness-Richmond (Mr. MacEachen) had to say last night—and I hate to question the word of such a learned economist—when he was trying to play down the value of cheap hydroelectric power in industry, we in British Columbia want power. The interior of British Columbia wants it. The province needs it. The whole of Canada would benefit by it. All I can say is this, and I have said it on many other occasions. Let us get down to business and lay concrete plans for immediate action. A few hours around the conference table would clear the way for development and for the opening of a new era in the interior of British Columbia. Most of you will recall the words of Sir Anthony Eden when speaking of the great future in store for Canada. These words were uttered in this house a very short time ago:

> I have no doubt that you will fashion it—

He was speaking of the future of Canada.

> —in a manner worthy of a great people.

Let us accept that challenge and get on with the job of assuring that great future for our people in British Columbia and in Canada.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, one could not read the words in the amendment moved by the Leader of the Opposition (Mr. Drew) without some challenge, coming as I do from the province of Saskatchewan. I refer to the words about a joint investment program. We have there, of course, a proposition of which the house has long been aware and one which has been debated often in this house. May I say, Mr. Speaker, that I have been in my seat religiously this afternoon expecting to speak following the last Conservative member, namely the hon. member for Victoria-Carleton (Mr. Montgomery). A Liberal member and a Social Credit member have come in between us, so I have to make my remarks very short at this time. I realize that the debating time in the evening will be short as it will finish at 8.15.

This project, as I say, is nothing new to this house. It has been the subject of discussion on platforms of all sorts in Saskatchewan, and certainly on political platforms. I do not think there is time here to go into the history of the project, into the origin of it nor the stage which it has now reached. This is the only political comment I shall make when I say it has been held out as political bait in all the federal elections in which I have taken part, and some in which I have not taken part, since away back in 1940. There have been promises, definite promises by Liberal speakers and by the Minister of Agriculture himself. At times we have been assured that those were not actual promises. There is one quotation here which I take from page 1747 of *Hansard* for February 9, 1953. The minister is quoted by the Regina *Leader-Post* as having said at a meeting:

> The dominion government thus did not need the endorsation of the South Saskatchewan river development association to begin work on the South Saskatchewan river. It has already decided to go through with it . . . a decision would be reached on where the dam on the South Saskatchewan should be placed. It would be on one of three sites between the Elbow and Saskatoon. As soon as the site had been finally decided upon contracts would be let, and work would proceed immediately.

Now, there was some dispute later about the accuracy of that report. It was one of those reports which the minister finds so often, in which he had not been correctly quoted. I have dozens. I am not going to talk about what the minister said any more. I am finished with that. I merely want to say that we in Saskatchewan are tired of having this thing trotted out before every election, and then when the election is over, we are blandly told that the time is not ripe; that it is not a national project; that the province is not prepared to assume its proper amount of responsibility, and so forth. So much for the speeches, and so much for the disappointments that we have suffered in the matter.

Now our desire, sir, for this project is, I suppose, born of the depression of the thirties. I think I am quoting the minister here again in a previous debate when he said that during that depression direct relief in Canada amounted to about $186 million. I am going to suggest that the $186 million would go a long way towards building this dam which, to a degree, would take the sting out of any subsequent depression in that part of the country. As the minister knows, and as the Saskatchewan members know, we had a world depression. During that depression eastern Canada suffered, western Canada suffered, as did many other countries.

Not only did the people in the prairie provinces suffer the results of a world depression, but they actually suffered hunger caused by drought. At that time we witnessed settlers

shooting their cattle because they could not feed them. I have seen a farmer go down to the station with a buggy and bring back one bale of hay in order to keep alive his last surviving cow from which he obtained milk for his family. When I talk to eastern people and eastern farmers about that particular event I find a lack of realization as to what the suffering actually was. I have seen, as other members have seen, those clouds of dust and those piles of soil accumulate day by day along the telephone poles. We have seen farmers in the southern part of the country loading their family and their small possessions on a hay rack, with perhaps a cow tied behind, heading north to find green grass and water. It just occurs to me here to mention in passing a thing which we have forgotten now, but fundamentally the power of mankind to survive on this earth depends upon the ability of the earth to produce that common and perhaps despised commodity grass.

However, that is enough of philosophy. It is said, and I do not know whether or not it has been proven but I think it has, that the weather is likely to go in cycles. At the moment, as everyone knows, we have an abundance of rain in Saskatchewan. Under the system in which we live, this has produced some of the economic problems from which we are suffering at the moment. But there is this to be said for the type of thing we have now as compared with what we had then: When there is an abundance of food, when there is an abundance of fodder for all the stock, then that type of depression, a depression without money, can be survived on the farm perhaps better than anywhere else.

But if one of these cycles of dry weather should come again, we want to be as well prepared for it as it is possible to be. Of course, that is one of the main reasons why we believe now is the time to build this dam, not at a time when dry weather is upon us. We want this irrigation. We want it for what it has done for Lethbridge. I was struck by what the irrigation project had done in that particular part of the country. I was struck by the diversification of farming there. I was struck by the fact that people now have smaller farms. I was struck by the fact that even if there were dryness in the surrounding area, there was a fodder belt in there that would supply feed for the surrounding starved-out districts. I was struck by the diversification of interests, like sugar beet farming and the substantial industry that has grown there in the fattening of cattle. We would like to have, in our section of Saskatchewan, some of the things that irrigation has done for Lethbridge and is in the process of doing for Medicine Hat.

Irrigation should bring about an increase in population as a result of the lessening of the size of the acreage held by individuals. Anyone who goes through these plains knows that the scarcity of population is one of the problems that increases our difficulty. We have a tremendous mileage of roads to keep up, even where there are few people. The few children here and there have to be provided with education. Either these little schools have to be kept open or transportation has to be provided for the pupils, as the case may be. The remedy, of course, is population. The population has been dwindling but it is beginning to pick up again. It did dwindle because of the mechanization of the farms, or automation, whatever you like to call it.

Then there is the question of diversification of farming, which I have just mentioned, the feeding of cattle, the growing of sugar beets. There is another thing that one might mention, namely, the attraction of a certain type of immigrant that we might be able to get into our country. I am not going to argue that the failure of immigration, or the comparative failure, this year is a failure on the part of this government, or what is its cause. But there is a fine class of people in northern Europe who would be attracted to an irrigated country, just as in the earlier days many United States citizens were attracted to southern Alberta because they had been accustomed to irrigation on their own farms at home, and were surprised to find they were able to purchase irrigated land at a much lower price than they had paid in the United States.

To my mind, irrigation which would come from a dam of the type desired would—and I have already suggested this—cause an economic stability of which we are not sure at the moment, because our whole economy has been geared to the production of wheat. Even that has failed us this year in that we have been unable to market wheat in the quantities that are satisfactory.

There is also the question of a feed bank. We talk about a bank for wheat, for cereals, for grain, but there is the other question of a feed bank for forage. I do not want to go into that. Some of my agricultural friends and experts in this particular party are much more familiar with it than I am, but I think it is a thing which should be mentioned. I had the unfortunate experience one winter, which I imagine the minister will remember very well, following the summer of 1919, when cattle were dying out there like flies because

they did not have enough to eat. A lot of people got them through the winter, but when they turned them out in the spring onto the dry grass lacking any nourishment, and with the heat of the sun, they simply wilted and that was that. People lost their herds and lost the money they had invested in them.

At the moment, sir, we have a fair start in industrial production in the province of Saskatchewan. It is a fact that is not generally well enough known in other parts of Canada. Certain factories are going to start operations this very year. For example, a pipe factory is to commence operations in the city of Regina. It is to manufacture pipe through which oil or gas may be conveyed. There is an undertaking to produce cement. These things are all tied in with the question of power and irrigation from the project that I have suggested. It is a common economic fact that power of any kind, and particularly cheap power, attracts industry. We have now, of course, a wider distribution of electric power and that process will go on. The distribution and transportation of natural gas, and oil discoveries which are now taking place, are making us at least a rival, if a small one, of our neighbouring province to the west. These things are going on and all of us are beginning to see a great new era for that province which up to a few years ago at least was regarded simply as a great plain where one grew some grain in the summer time and sat close to the stove in the winter time. That was about the only prospect we had. It was with those ideas and in that spirit that a good many settlers came to the province of Saskatchewan.

I am sure a good many of them came there away back at the time the minister came there—I am not suggesting that he or myself was one of those people—with the idea of making as much money as they could and getting away from there as fast as possible. Perhaps in one respect the fact that they were not too well off did us some good because it prevented them from moving out until they had an opportunity to establish worth-while homes, and now they have decided to stay and watch their sons under the new conditions of power, gas and electricity on the farms, and these things that I have mentioned, increasingly better roads, look upon that province as their home and reconcile them to living there with pleasure and with comfort, and with profit, too, may I say. If this government can get the wheat crisis cleaned up as soon as possible, conditions will be even better. Therefore, we need this dam; we need irrigation and we need the power.

I said, sir, that I was going to speak briefly, and I did mean that. Some millions of dollars have already been spent on the Saskatchewan river dam in surveying and in engineering, largely through the department under the minister. It is too bad that these moneys should be wasted. The results of their findings are upon the record. Previous to 1949, of course, we were told that the province would not have to spend a cent on this project. In the election promises and in others this was to be purely a federal matter and a federal expenditure, but subsequent to the election of 1949 we came back here to face a minister who smiled at us smugly and said: Well, of course, we could go ahead with this program. We have made arrangements. We are going to see what the province will do. I could go into a long story about that. *Hansard* reports are full of it. I shall refrain from doing that at the moment. In the course of the negotiations that have gone on since that time the province has become pretty heavily committed. I know that in a letter by the premier of the province to the Prime Minister an offer of $72 million was made as the provincial share. At that time the agreed-upon cost, in spite of the Hogg report which preceded it, was to be $135 million in all. Although I have not the figure I believe the province has increased its offer since that time.

In 1954 the minister said there were three main conditions necessary for the starting and the completing of this project. He said that the first one was an interprovincial agreement on the availability of water required for power and irrigation purposes. The first of those conditions was met. The prairie provinces water board agreed that there was plenty of water in the South Saskatchewan and its tributaries to supply water for the project near Outlook.

The second condition was a Saskatchewan commitment toward the cost of the dam. That was the statement at that time. It was to remove any suggestion that Ottawa was subsidizing provincial power production. I have already dealt with that. Letters from the premier of Saskatchewan to the Prime Minister of Canada have continually expressed nothing but co-operation and willingness to be counted in the project so that it could go ahead.

The third stipulation was a realistic estimate of the cost of the project. It is true that we had the Hogg report which was rather unfavourable and which added about $100 million to the cost that I have given, but that report was heavily discounted. It was discounted in this house by the minister himself who said, at least on one occasion, that

the cabinet had pretty well written off that particular report. We are then told that the negotiating committee set up by the federal government in conjunction with the provincial government had estimated the costs as follows: main reservoir and dam $80 million; irrigation system $35 million; the power plant $20 million, or a total of $135 million.

Someone might say, well, we have heard it said frequently in the house that the people of Saskatchewan are always complaining about something; they are always wanting something. Well, we are and I do not think that it is a bad thing or an unhealthy thing; but no one has ever suggested in this house or elsewhere that we have not done our share to build up this great country whether in public projects or by any other means. I do not care whether it is by means of war contributions, recruiting of men or payment through taxes to other projects in the country; I do not think anyone can say we have been niggardly in that regard.

When we mention projects like the Canso causeway or the St. Lawrence seaway we do it in commendation of these things. We are glad to see the nation prosper and we believe that through public investment the nation can prosper and that it cannot prosper without it.

I have now concluded what I wanted to say and I now move, seconded by the hon. member for The Battlefords (Mr. Campbell):

That the amendment be amended by changing the period at the end thereof to a comma—

Mr. Argue: The Minister of Agriculture smiles.

Mr. Knight:

—and by adding thereafter the following words: "and that consideration should be given to the advisability of proceeding with the immediate construction of projects in connection with which investigations have been carried out, such as the South Saskatchewan river dam and irrigation project."

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the sub-amendment which has just been moved represents in reality one of the major questions dealt with by the Leader of the Opposition in introducing the motion yesterday on this question which is of such importance to Canada as a whole.

There is no need of saying what the South Saskatchewan dam and irrigation project will mean and what it will achieve in the days that lie ahead when drought returns once more to Saskatchewan. The arguments have been made over and over again and as far as I am concerned it is unnecessary to prove that goodness is good.

The whole proposition is one that has been pushed about by this government for a period of years. Postponement has followed postponement in relation to its consideration by subterfuge and excuses but until the last two days I doubt whether the people of Saskatchewan will have realized as finally as they now must realize that this necessary project has been written off by this government.

The Leader of the Opposition (Mr. Drew) dealt at some length with this project yesterday as he has dealt with it and supported it on many previous occasions. Indeed, I was rather surprised to hear the hon. member for The Battlefords speak as though he had suddenly made a great discovery that the Conservative party was now supporting this project, a project which this party has supported for many years. Over and over again it has been included in the party platform and over and over again it has received the approbation and firm support of the Leader of the Opposition and the vote of each and every hon. member in this party from the Atlantic to the Pacific.

An hon. Member: That does not take in very many.

Mr. Dinsdale: Quality, Jim; real quality.

Mr. Diefenbaker: Having said that, I want to make reference to the fact that the Prime Minister (Mr. St. Laurent) was here yesterday while the Leader of the Opposition was speaking. I realize that the Prime Minister cannot continue to be in the house with all the responsibility that faces him but I do believe that the Prime Minister owed it not only to the people of Saskatchewan but to the people of Canada as a whole to have spoken in this debate and allowed Canadians to learn something of the concept of this government relative to this most important subject contained within the resolution.

As a matter of fact, this has been a campaign of silence on the part of the government in the face of the advancement on the part of the opposition of a policy which is necessary to Canada today and which is not one that advocates the expenditure of money without dividends in the national development.

I think the people as a whole are becoming tax conscious and do not want unnecessary expenditures made. Expenditures for national development are self-liquidating in that they produce a return far above what the actual expenditure amounts to.

I was rather amazed at the speech of the hon. member for Charlotte (Mr. Stuart). I think Canadians as a whole, and I have found this to be true as long as I have been a member of this house, do not endeavour to look at problems from a parochial angle. Each citizen endeavours to join together in

a common effort to build all parts of Canada. I should like to have heard the hon. gentleman advance something in the nature of what the maritimes are asking for, with something of the vision of the maritime members who have spoken during this debate. Instead of that he resorted to a discussion of trivial matters that in no way are of interest to Canadians as a whole.

What of the maritimes? Well, I have visited the maritimes on a number of occasions and have tried to understand something of their problems and something of the need of power development in the maritimes in order to equalize those advantages which central Canada has which are natural to the geographic location of Ontario and Quebec.

I was very much taken by the move a year or so ago for the formation of an Atlantic province economic council and also by the report that was made by Dr. A. G. Christie in which he advocated the pooling of all existing electrical generating systems in Nova Scotia and New Brunswick under a joint power authority, something much in the nature of the plan advocated yesterday on a national basis by the Leader of the Opposition. Under this plan, under this merged system plan, the encouragement of new industries by the providing of reliable electrical and power services at favourable rates would be established. Steam plants would be established in the province of Nova Scotia by reason of the coal that is waiting there for a market, and in the province of New Brunswick there would be hydroelectric developments.

I believe that something in the nature of what is described by this resolution must come about because we are not equally endowed with power potentialities in all parts of Canada. I believe that under this resolution consideration could be given to bringing power to industry. As the Leader of the Opposition has said, today industry goes to power; but I believe that in the new atomic age which we are entering at the present time power will be taken to industry. I am one of those who believe that in certain parts of Canada, the maritimes in particular, atomic energy plants for civilian purposes should be a matter of primary consideration, in addition to the production of power through the medium of coal and hydro sources.

In other words, there should be a national vision to equalize opportunity everywhere in Canada and to enable the building of this nation in the face of the challenge referred to today by the hon. member for Nanaimo (Mr. Cameron). The hon. member spoke of the challenge of the U.S.S.R. in the economic world and how socialism provided the answer. I do not want to get into any argument in that connection, but let me tell my hon. friend that that is the same unrealistic attitude we heard in Saskatchewan. For many years we had theoretical socialism, but when it came to the development of our resources the government of that province, after having entered into various industrial activities quite unsuccessfully, having produced for years but without profit—we got neither—finally decided to invite capital into the province to develop northern Saskatchewan.

When my hon. friend speaks of the challenge of the U.S.S.R. let me say that this industrial challenge is going to be a tremendous one for every part of the free world. The reason is the serf-like wages that are paid, the fact that the agriculturist is required to turn his product over to the state at whatever the state determines, the fact that there is tyrannical control over the hearts of men with each man being a robot under the control of the state. Certainly the U.S.S.R. with its resources and the vast developments which are taking place in connection with power, particularly the establishment of nuclear plants, represent a challenge.

For that reason this resolution more than ever before is of first importance. It is one that affects the people of Canada as a whole. There should be a united people in a great national crusade for the development of Canada to the end that to a greater extent than ever before we in Canada will be developing our own resources here rather than shipping our raw materials to the United States and thereby exporting employment from this country.

I believe in this resolution. It is one that deserves more than the attitude of silence taken by the Prime Minister (Mr. St. Laurent) and his ministers. It is one that deserves the serious attention of parliament. It has been dealt with throughout in an objective manner, with one exception. I think the ministers owe something more to parliament than to adopt the aggressive silence which this resolution has met. I could say much more, but I know the hon. member for Yukon (Mr. Simmons) wants to give a message and for that reason I shall discontinue now.

Mr. J. A. Simmons (Yukon): Mr. Speaker, any discussion on the use and conservation of water across Canada would be incomplete without reference to the water resources of the Canadian northwest, particularly those of the Yukon Territory and northern British Columbia. The natural resources of this northwest area, surrounded on the north and

west by Alaska, are minerals, forest cover and water power; they are linked together in the development of the country. In their beneficial development, these resources are all closely associated because low cost power is an essential agency for the economic development of the mining and forest resources.

Not only will electric power from water power sites in our northwest permit the processing of local ores such as those containing silver, lead, zinc, copper, iron, asbestos, etc., but the potential amount of power is so great that it will attract to power sites in the northwest other ores from various parts of the world, including cobalt, bauxite, nickel and titanium.

As most hon. members of this house know, the Northwest Power Industries Limited, a subsidiary of Ventures-Frobisher-Quebec Metallurgical Industries Companies, has been engaged for three years on engineering investigations and surveys of the power potentials of the upper Yukon river waters in the Yukon and northern British Columbia. Information required for the first million horsepower will be pretty well obtained by the end of this year. It discloses that between 4,300,000 horsepower and 4,900,000 horsepower can be developed from the Yukon watershed in power plants that can be built south of Atlin lake.

Power from these plants can be transmitted without difficulty some 45 miles to industrial sites on the Taku river—and as required 360 miles, without difficulty, to the Canadian port of Alice Arm—and to other industrial sites throughout the northwest.

All the investigations and plans have strictly conformed with the Canadian government policy as announced by the Prime Minister (Mr. St. Laurent) and the Minister of Trade and Commerce (Mr. Howe) from time to time in this house, that water power from Canadian waters must be developed in Canada and is to be used in Canada to the fullest extent possible.

In addition to the Yukon river project there are other power resources in the northwest in the watersheds of such rivers as the Liard, Stikine, Dease and the Nass river. All these permit major development.

In fact preliminary investigations reveal that this particular area might afford 6 million horsepower and the Nass river area another half million. This is in addition to the upper Yukon river watershed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Simmons: Mr. Speaker, in continuing my remarks, which were interrupted at six o'clock, I should like to say further that there are the power potentials of the Peace river near Finlay Forks and of the Stuart and Babine rivers, these latter being in the vast drainage system of the large lakes of central British Columbia comprising Stuart lake, Trembleur lake, Takla lake and Babine lake. I think it can be stated that the water power resources of our Canadian northwest are greater than the most optimistic estimates made so far. There is every reason to believe that the value of water power and its place in the development of Canada's natural resources will greatly increase over the next 20 years. I am sure that this is one of the things that will be mentioned in the Gordon royal commission report.

The value of waterpower to Canada in dollars and cents will not only be evident in connection with our own resources but the availability of large blocks of power will bring to Canada for processing raw products from all over the world. What an assured future Canada has if she realizes the potential treasures she has in her vast water resources. You can readily see that the northwest has the largest water potential on this continent, so far as I know.

If our resources in the north are to be developed then our resources must be looked upon with more vigour than has been the case heretofore. Canada should, therefore, adopt a policy with regard to the northwest and the rest of Canada's northland which will engender a gradual shift of transportation, population and industrial growth to the northward. Only when this has been recognized and achieved will an adequate development of our resources be realized. If serious consideration is not given to this proposed project it is quite conceivable the result will be that the development of our hydroelectric potential and consequent economic expansion of the whole area through the development of its resources will be retarded for years, if not for generations.

It does not take too active an imagination to appreciate the contribution to the permanent economy of the northwest that a project such as that envisioned by the Frobisher group would make. Neither does one have to indulge in extravagant dreams to visualize what great economic developments would redound to Canada's northwest from future development of this region's natural resources. We need new vision and understanding of what the northwest can mean to our future

as Canadians and to the future of free mankind. We want policies to roll back the frontiers of this country and give Canada depth as well as breadth.

I am informed by Northwest Power Industries Limited that their field work will continue in 1956 to complete the detail surveys necessary for the objective I have outlined in anticipation of commencing actual construction of the first stage of the project in the Taku river area in the not too distant future. Field work planned will include checking of triangulation work, soundings of the Yukon river through Miles canyon and further surveys on the Nakonake river. A large expenditure will be made on diamond drilling on the Miles canyon dam site, at the tunnel entrances, and on the Nakonake river power house site. Sample of borings made will be obtained and studied. It is expected that by the fall of this year the survey period of the Yukon river power project that is necessary to begin construction will be completed.

It is my understanding that a preliminary study by Northwest Power Industries has revealed the Nass river as the most promising interim power area, and surveys will also be undertaken there this coming season. Its power potential is limited but it will be possible to transmit power as required from the Yukon project to the Nass river area. The Nass river project will not in any way prejudice the Yukon project but is insurance that Canada will not lose prospective power customers if there is delay in Yukon power being made available.

There is an important essential in the ordinary development of our water power and that is the rapid obtaining of hydrometric data. The flow of northern streams must be recorded accurately and over as long periods as possible. This means that water readings sufficient for safely estimating power potentials should be under way in adequate scope over all our important streams in the northwest that give promise of water power development. There is no use waiting until interest develops in any particular watershed because it is then too late for any long-term records. This is where I think Canada has been backward and there has been a tendency to wait for a demand for vital information while this should have been available and have been collected over the years.

No one fully familiar with the requirements of power development will question this viewpoint. Personally, I doubt if there are more than two major streams in the northwest out of seven or eight where there is sufficient hydrometric data for a private company or a government owned company to actually determine the amount of firm power available in any watershed. The excellent work being done by the Department of Northern Affairs and National Resources in the hydrometric field is acknowledged but the data is greatly restricted by insufficient money being voted in this house. I would say that the small amount of funds available for hydrometric work across Canada in the coming year will probably be about one-third of what it should be.

We should have a balanced inventory of our national resources with respect to what we have in the way of minerals and forest products, base metals and chemical resources and construction material, and we should also have comparable information as to where necessary water power or power from thermal units can be obtained. In conclusion I should like to say that I believe the Department of Northern Affairs and National Resources, which is responsible for the administration of the territories, has vision in carrying out its responsibilities in the development of the northern territories, and I know that the present administration has this forward vision and realizes how important it is for Canada that these northern areas should be developed.

The Frobisher plan will develop the vast known resources of the Yukon territory and northern British Columbia for the benefit of the Dominion of Canada as a whole. Consider the development of timber resources, with ample power to operate pulp and paper mills and the development of mineral deposits in the northwest and from places around the world by the utilization of lost-cost power for smelting and processing ores. Yes, Mr. Speaker, we have a wonderful future in Canada and the northwest.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I had not intended to speak on the question had it not been for the movement of the subamendment. The reason I had not intended to speak was that in the amendment itself there is no mention of the South Saskatchewan river project. Therefore I did not think it necessary to say anything on the main amendment, but in the subamendment moved by the hon. member for Saskatoon (Mr. Knight) and seconded by the hon. member for The Battlefords (Mr. Campbell) the question of the South Saskatchewan is brought before the house. The subamendment reads as follows:

> . . . that consideration should be given to the advisability of proceeding with the immediate construction of projects in connection with which investigations have been carried out, such as the South Saskatchewan river dam and irrigation project.

There are only one or two remarks I wish to make. The first one is that in the discussions that have taken place in relation to the South Saskatchewan river project sums have been mentioned running from $135 million to $160 million as being the cost of the project that has been under consideration. I only wish to state with regard to that that the use of these sums in discussing the question would be somewhat of an argument in the minds of many people to the effect that the project should not be proceeded with.

As a matter of fact, the amount of money involved is just about half of the higher figure. It is $82 million, and I do not think anyone discussing this matter should take it for granted that it is going to cost $160 million. The discussions are all on the basis of $82 million. The figure of $82 million has been established as the cost as nearly as any cost can be established, and it is known to the government that there are those who would undertake to construct the project at that cost. Therefore there is no reason to discuss any higher cost in connection with it.

Mr. Ellis: All the more reason for starting it now.

Mr. Gardiner: Well, there is no reason for discussing any higher cost. Discussing a higher cost can only result in there being some opposition where there otherwise would be none. My main reason for rising, however, is to call attention to the fact that the matter has already been considered and also to call attention to the fact that in the estimates which are before this house now there is a vote for the South Saskatchewan river project.

Mr. Diefenbaker: How much?

Mr. Rowe: After a quarter of a century.

Mr. Gardiner: I also want to indicate to the members of this house that in my opinion this amendment to the amendment is out of order.

Mr. Rowe: The dam is out of order. It has been out of order for 20 years.

Mr. Gardiner: I am not raising the point of order in order to avoid indicating to the house and to the country how I would vote or how I intend to vote if the amendment to the amendment is placed before the house. It is typical of amendments which are put before the house in the province of Saskatchewan. I have been there myself when they were put before the house and when, as premier of that province, I was obliged to handle them. During the period in which the present premier has been in office he has been obliged to handle them on a number of occasions because they were brought forward by the party to which I belong in Saskatchewan. On every occasion on which an amendment of this kind has been made on a motion to go into supply, it has always been taken as a vote of want of confidence in the government, whether it was in Saskatchewan or whether it was in this house.

Mr. Nicholson: Not always.

Mr. Gardiner: There was one occasion when it was not so, and what did my hon. friends say about it? At the time it was being discussed in this house they said that they were only asking the government to consider it. Then when the government, after considering it, decided not to do it, they went around the country telling people that the house had voted for it and that the government had refused to do it. I have no doubt that is what would be done in connection with this very motion if it were placed before the house now. But I only want to say that if it is placed before the house it is my intention to vote confidence in the government and to vote against the amendment to the amendment. It is not my purpose to avoid indicating to the house and to the country what I think of the amendment to the amendment but I simply wish to say that at page 132 of the estimates there will be found an item indicating what the vote of $7,050,000 has within it for the project. The item reads, "South Saskatchewan river development, $500,000".

Mr. Diefenbaker: Five hundred thousand dollars!

Mr. Gardiner: My hon. friend who is probably more concerned with the matter than is any other member of the official opposition looked across the aisle and said, "$500,000". If he will look—

Mr. Rowe: It is a 20-year start anyway.

Mr. Gardiner: It is a fairly good start.

Mr. Rowe: After 20 years, yes.

Mr. Gardiner: If the hon. member will look at page 7, he will find item 42, which reads, "Major irrigation and reclamation projects in the prairie provinces, $7,050,000". There is in the estimates an item which indicates that the government has already considered this matter.

Mr. Rowe: Mr. Speaker, it is 8.15 p.m.

Mr. Gardiner: There is an item in the estimates under which the whole question can be discussed in this house when the estimates are before the house.

Mr. Rowe: Mr. Speaker, it is now 8.15 p.m.

Mr. Speaker: As it is 8.15 p.m., it is my duty to interrupt the proceedings and to put the question to the house.

The house divided on the amendment to the amendment (Mr. Knight) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Bennett, Miss
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fulton
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacLean
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Nowlan
Pallett
Patterson
Pearkes
Perron
Quelch
Rea
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose
Stanton
Starr
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—70.

NAYS

Messrs:

Anderson
Applewhaite
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Crestohl
Dechêne
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McIlraith
McIvor
McMillan
Mang
Martin
Masse
Menard
Meunier
Michaud
Monette
Murphy (Westmorland)
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)—141.

Mr. Gillis: May I announce that I was paired with the hon. member for Vancouver-Burrard (Mr. MacDougall). Had I voted, I would have voted for the amendment. I might add that the hon. member had to go into the hospital this evening.

Mr. Speaker: The question now is on the amendment to the main motion.

Those in favour of the amendment to the main motion 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 more than five members having risen:

Mr. Speaker: Would hon. members consider that their members have been called in for the purpose of this division?

Some hon. Members: Agreed.

Power Development

The house divided on the amendment (Mr. Drew) to the motion which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Bennett, Miss
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fulton
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacLean
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Nowlan
Pallett
Patterson
Pearkes
Perron
Quelch
Rea
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Stanton
Starr
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—71.

NAYS

Messrs:

Anderson
Applewhaite
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McIlraith
McIvor
McMillan
Mang
Martin
Masse
Menard
Meunier
Michaud
Monette
Murphy (Westmorland)
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)—141.

Mr. Gillis: Mr. Speaker, I was paired with the hon. member for Vancouver-Burrard (Mr. MacDougall). Had I voted I would have voted for the amendment.

Mr. Speaker: Just at 8.15 there arose a very peculiar situation. The Minister of Agriculture (Mr. Gardiner) in making his speech did indicate to the chair and to all hon. members that the amendment to the amendment which has been voted upon a moment ago might be out of order. Hon. members have noticed that notwithstanding his remarks to that effect, that it being 8.15, as soon as the Clerk announced the time to me I put the motion before the house.

There are hon. members who may feel that, if an amendment is out of order, some action be taken by the chair before the vote is put to the house. Well, I did not do anything this time because I thought that there was no time left for me to make a judgment.

Standing order 56, paragraph (d) says:

If any amendment be under consideration at 8.15—

And then further down it says:

Mr. Speaker shall interrupt the proceedings and forthwith put the question on any amendment or amendments then before the house.

Now, "if any amendment be under consideration"—is it under consideration from the point of view of its merits or under consideration from the point of view of order? Hon. members must not forget that if at 8.15 a point of order is under discussion no time is left for me to do what is prescribed by standing order 12. I am in a most peculiar position and this is a case which I think will have to be considered by all hon. members, and that is, if a point of order is raised with respect to an amendment and 8.15 arrives and the Clerk announces to me that it is 8.15, if I am to deal with the point of order I will have to comply with the provisions of standing order 12 paragraph (1):

In explaining a point of order or practice, he shall state the standing order or authority applicable to the case.

There is also the provision which is understood by hon. members as being compulsory on my part. As far as I am concerned I do not think I have to listen to hon. members who want to make representations, but I consider that it is better that I do listen to representations. If the representations that are being made to me do not convince me and I rule an amendment out of order, hon. members still have the right to appeal my ruling and therefore a vote might take place on that appeal and then later we come finally to whatever may still have to be done by virtue of standing order 56 (5) for the house to decide.

Now, I want to consider that situation further but it seems to me that any time there is a ruling for the Speaker to decide before 8.15, it would be much better that time be given to him for that purpose.

Mr. Knowles: Mr. Speaker—

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I was not going to raise any question of order because I know according to the rules that you were right in what you did. I understand the rule says that if the Clerk declares it to be 8.15 a vote is to be taken but I was looking at the clock in front of me and I would suggest that the clocks be put at the same time the Clerk has, in other words that the clocks be synchronized, because I stopped at 14 minutes past on the clock in front of me, not 15 past.

Some hon. Members: Sit down.

Mr. Speaker: Perhaps I might remind the Minister of Agriculture (Mr. Gardiner) that the first time we took a vote according to the limit provision of these standing orders I did indicate that my clock did not correspond with the clocks around this house but with the clock of the Clerk, because I foresaw that these clocks might go out of order.

Mr. Gardiner: That is quite all right and I am not complaining at all. You decided it correctly—

Some hon. Members: Oh, sit down.

Mr. Gardiner: —I am only saying that I would like to have the clocks right.

Mr. Fleming: See the Minister of Public Works about it.

Mr. Fulton: It is more important that you be right.

Mr. Knowles: Mr. Speaker—

Mr. Daniel McIvor (Fort William): Mr. Speaker, before the hon. member speaks I rise on a question of privilege.

I should like to congratulate the official who announced so clearly and without a mistake the names of the hon. members in the house notwithstanding the stares and the homely looks on our faces.

SUPERANNUATED CIVIL SERVANTS—REQUEST FOR INCREASE IN PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to take advantage of the privilege afforded by the rules to raise a grievance. Before I do so, Mr. Speaker, perhaps I might be permitted to say that if there had been any discussion on the point of order suggested by the Minister of Agriculture some of us would have taken part in that discussion; indeed I certainly would have raised the question as to how there could be any relationship between the small amount of money in the estimates under the heading of the South Saskatchewan river and the subject matter of the sub-amendment which called for the construction of the project itself.

Some hon. Members: Order.

Mr. Knowles: Mr. Speaker, the grievance I rise to state is the closed mind and the stubborn attitude of my otherwise genial friend, the Minister of Finance (Mr. Harris), in relation to the question of pensions of retired civil servants.

The reasons I raise this matter at this time are several. I need not remind hon. members that I have been concerned about the question for a long time. In addition, certain answers have been given to me recently by the Minister of Finance which would suggest that no consideration is being given to this

important matter. Also there have been placed on *Hansard* figures indicating the number of retired civil servants and the number of widows of retired civil servants who are having to live on very small pensions. Then I have in my hand a copy of the *Times Weekly Review* of London, England, for Thursday, February 9, 1956, which records that action has been taken yet again at Westminster to increase the pensions of civil servants and others previously retired.

On a good many occasions I have argued this matter with the present Minister of Finance, with his immediate predecessor and with his predecessor before him in an effort to make the point that it is not a unique suggestion to propose that pensions of persons previously retired, even though those pensions measure up to the contracts under which they were employed, should be increased if in the meantime the cost of living has gone up and the position of those pensioners has thereby been worsened.

During the course of my remarks I shall support the arguments I have made by a reference to some of the arguments that have been made in the United Kingdom parliament, but first may I remind the minister again that many other jurisdictions have taken action on this important issue. Not so long ago the government of the very province in which we are physically located at the moment, the government of Ontario, increased the pensions of retired school teachers. At least two other provinces of this country have increased the pensions of their retired civil servants, particularly those in the lower brackets.

In the United States the federal government has taken action along this line on several occasions, as have many of the individual state governments. For example, I have in my hand a page from the Boston *Herald* of Tuesday, July 26, 1955, recording action taken by the legislature of the commonwealth of Massachusetts increasing the pensions of retired civil servants where those pensions are under the $2,000 figure. One might also refer to a few instances where private employers have taken action to increase the pensions of persons previously retired.

I have had occasion to mention previously, and I mention it again tonight with a considerable sense of pride, the union to which I happen to belong, the international typographical union. That union has a contributory pension plan for its members. The pensions paid to retired members of that union across the past number of years have been increased considerably. In fact in the past 12 or 14 years pensions have been more than doubled. That increased rate of pension is paid not just to those who have retired recently and who on a percentage basis have made a higher contribution; that pension which is more than double what it was 12 or 14 years ago is also paid to those who were retired 12 or 14 or 20 years ago.

There are many jurisdictions which recognize the problem, which recognize the moral responsibility of the employer or whatever body is paying the pension, to face up to the fact that increases in the cost of living have taken place and something has to be done by the employer or by the person or organization providing the pension.

I said that the Minister of Finance has indicated, along with his genial nature which is well known to all of us in this house, something of a closed mind on this question. He will recall that on January 25 of this year, as recorded on page 546 of *Hansard*, I asked this question:

> Has consideration been given, at any time since the end of the 1955 session of this house, to increasing the pensions of retired federal civil servants, particularly those whose pensions are in the lower and middle brackets?

The minister's answer was a very simple one, just one word, no. I also asked the minister if the matter was now under consideration by the government and I got the same answer, no. A week later in another connection, referring to the fact that the government seemed to be recognizing that the increased cost of living and other factors made it desirable to increase the scale of wages and salaries of civil servants, I asked the minister whether the same considerations would lead the government to review the matter of increasing the pensions of retired civil servants. I got the same answer, as will be found on page 708 of *Hansard* for January 31, 1956, where the minister is recorded as follows:

> I answered it last week, but if the hon. member wants another answer the answer is the same this week.

In other words, not only is nothing being done, the matter is not even being considered. This is the attitude of the government despite the fact that according to figures which were placed on *Hansard* on February 1, 1956, in answer to certain questions of mine, to be found at page 785 of *Hansard*, there are 1,814 retired federal civil servants whose pensions are less than $40 per month. In addition there are 3,297 widows of federal civil servants whose pensions are less than $40 a month. If I may go to a higher bracket in making my computation, and still using the figures to be found at page 785 of *Hansard* for February 1, I would point out that there are 3,537 retired civil servants whose pensions are less than

$60 per month, and 4,911 widows of retired civil servants whose pensions are less than $60 per month. In other words there is a grand total of pensioners and widows of 8,448 whose pensions are less than $60 per month.

It seems to me that the minister and the government generally have taken the attitude that these speeches by the member for Winnipeg North Centre on the question of pensions for retired civil servants are just something they have to take like a gadfly that keeps biting a few times each every year but for which the government has a certain salve to put on the bites and somehow or other they can take it. I raise this matter very seriously and I raise it in the earnest and confident hope that one of these days the point of our appeal will be driven home to the government, that one of these days the government will recognize the justice of the claim of retired civil servants for increased pensions and that something will be done about it.

I could take more time of the house to tell the story of what has been done in some other jurisdictions but I shall confine myself tonight to a few references to what is being done and what has been done and said in the House of Commons at Westminster.

As I said, I have before me a copy of the airmail edition of the *Times Weekly Review* for Thursday, February 9, 1956. There is reported in this issue the fact that on Monday, February 6, there was published at Westminster another pensions increase bill which will have the effect of increasing the pensions of about 400,000 retired public servants and members of the armed forces. The article to which I refer can be found on page 10 of the edition I have in my hand, and it indicates that these increases will be of the order of from 6 to 10 per cent and that the only basic condition that has to be met before a person can qualify for the increase is that he be over 60 years of age.

The article is very interesting as a matter of fact, being what it is, namely, a report of a bill that has been introduced at Westminster which, in addition to the increases it provides, removes some of the restrictions that were imposed on pensions increases in earlier bills introduced at Westminster. In other words, at a time when my otherwise genial friend the Minister of Finance can only say one word, no, no, no, at Westminster they are becoming more generous in their treatment of their retired civil servants and those who are retired from the armed forces.

The only restriction on the increases proposed in the new bill is that there is a maximum that one can receive by way of an increase. Again hon. members will appreciate that whether it is 6, 7, 8, 9 or 10 per cent depends upon the category in which the pensioner finds himself. Corresponding to these categories there are absolute limits of £60 to £100 a year. In other words, some pensioners might be in a very high bracket and a 10 per cent increase would result in something more than £100 per year. In their case the increase would be only £100 per year or $280 to $300, according to the rate of exchange. But apart from that limitation as to an absolute amount the bill wipes out a number of other means test provisions and other restrictions that have been in the pensions increase legislation in the United Kingdom for some considerable time.

I submit, Mr. Speaker, that if this kind of thing can be done again and again at Westminster it is not just an academic matter I am raising here from time to time but rather that there is definitely a moral obligation on the government to face up to this issue. May I point out that, although there is quite a long history in the United Kingdom in the matter of pension increases, the most interesting part of it, the part that has the greatest relevance for us, relates to the last 12 or 13 years, and I ask the government and members of the house who are interested to note this. A pensions increase bill raising the pensions of those already retired was passed at Westminster in 1944 when, as hon. members will recall, the government was a wartime coalition government under the prime ministership of Mr. Churchill. The next time that there was a pensions increase bill was in 1947 when the government at Westminster was a labour government and Mr. Attlee was the prime minister. The next increase came in 1952 when the government was a Conservative government and Mr. Churchill was the prime minister. Now in 1956 we have another pensions increase bill under a Conservative government headed by Prime Minister Sir Anthony Eden.

There you have in effect four different governments but in each and every instance something is done to deal with the plight of retired civil servants who find the value of their pensions decreasing as the cost of living goes up. I was interested in going through some of the *Hansard* debates, to which I have been able to refer in my study of what has gone on in Britain, to discover the difference between the answers one gets here and the answers one gets in Britain. For example, recalling the fact that the Minister of Finance can stand up so easily and just say no when one asks for something, look at what occurred on November 28, 1946, as found in column 1782 of the *Hansard* of the United Kingdom

House of Commons. This is during the question period too, Mr. Speaker, and this is what I find under question No. 69:

> Major Mott-Radclyffe asked the Chancellor of the Exchequer when legislation to amend the Pensions (Increase) Act will be introduced.

The chancellor of the exchequer, like the Minister of Finance, answered with one word. But his one word was, "Today". What a difference in what happens over there.

Mr. Harris: That was not a planted question, was it?

Mr. Knowles: No, it was not. It was as much a surprise to that member as it would be if it took place here. I have been making some reference to what happened in the United Kingdom and I should like hon. members to note this, that the basic principle of providing increases for civil servants because of the increase in the cost of living was established by the wartime coalition government in 1944. I have been particularly interested in the length of time that was spent by the British House of Commons debating the government's bill on that occasion. In this house we all know, because we are reminded of it many times, that debates are handled much more expeditiously in the United Kingdom parliament than they are here. We have been told repeatedly how debates on the address can be handled in a day and a half and so on. I ask hon. members to note this, that in 1944—and members will recall the seriousness of the war situation at that time—the debate on the government's bill to increase pensions occupied 210 columns in the British *Hansard* over several different days. I give that figure because, as hon. members know, the British *Hansard* is numbered by columns rather than by pages as is ours. But there are two columns to a page and 210 columns works out to 105 pages.

That is a mark of the seriousness with which members of the parliament of the United Kingdom faced this problem right in the midst of the difficult days of the war in 1944. They occupied 105 pages dealing with the question of increasing the pensions of retired civil servants. Why did they take so long? Because, despite the improvements that the government of the day was proposing in the pensions of retired civil servants, the members were not satisfied. Members of all parties felt that something better should be done and a good deal of the argument turned on such things as means test provisions and other restrictions that were still being imposed on retired civil servants and other pensioners of the United Kingdom.

I feel that not only should I give the house the type of statistics I have listed indicating the time and attention given to this question in the United Kingdom but I should also like to quote one or two excerpts from speeches made when the 1944 pensions increase bill was introduced. It was, of course, introduced by Sir John Anderson who was then chancellor of the exchequer. In column 1761 of the British *Hansard* for March 3, 1944, he said this:

> The measure which I have to submit to the house carries out a promise made by me on 3rd December last, in the course of the debate on the address. The amendment which was then under discussion proposed that state and local government pensions should be increased to a level corresponding with the increased cost of living. I said, in the course of the statement which I made on that occasion, that, in the view of the government, the arguments for and against doing something were still fairly evenly and nicely balanced, but, on the whole, the government considered that there was a case for some action. I made it perfectly clear that the government would concentrate attention on cases of what I described as "real, grave hardship".

The chancellor at that point went on to quote from something which he had said earlier but he proceeded to make it clear that, although there were arguments pro and con, particularly in time of war, nevertheless the government accepted the fact that it had a moral obligation to be concerned about the position of those who were suffering real and grave hardship because of the smallness of their pensions. I submit, Mr. Speaker, that everything that was said about real and grave hardships on the part of pensioners in that country and everything that would apply to the situation over there now applies with equal force here, if not more so. I submit that the people to whom I have referred in my statistics as to the numbers who are drawing these small pensions are people who are suffering real and grave hardship and that the government owes to them serious consideration of their position.

I should like hon. members to listen to another few sentences which were spoken during the course of this debate. This time I am free to admit that I am quoting a labour member of the House of Commons but he was a member who was supporting the coalition government of the day and he was actually speaking against some of those independent souls around the house who were trying to persuade the government to do better than was proposed in the house. The labour member whom I am quoting is Mr. Pethick-Lawrence, and he had this to say. It is to be found at column 1777 of the United Kingdom *Hansard* of March 3, 1944:

> I would like now to say a word on the broad facts. I am in agreement with the Chancellor of the Exchequer that—

I ask both the Minister of Finance (Mr. Harris) and the Secretary of State (Mr. Pinard) to listen to this.

—legalistically interpreted,—

This is their language.

—the public pensioner has no precise right to any increase in his pension. The strict law of his contract has been kept,—

How many times has my hon. friend and Mr. Abbott before him and Mr. Ilsley before him said that?

Mr. Harris: Not I.

Mr. Ellis: You just say no.

Mr. Harris: I just said no.

Mr. Knowles: My hon. friend has not put all of those words in his own mouth. He has either said no or he has said, "My position is that of my predecessor". In answer to that position let me continue with my quotation:

—but the fact is that underlying all contracts for payment at some future date there is an assumption, unwritten and unspecified, but nevertheless implied. That is the stability of the purchasing power of money. Unless this is substantially maintained all time-contracts are meaningless.

I commend the entire column or two from which I am now quoting to the Minister of Finance, the Secretary of State and all others who have to deal with this matter, for Mr. Pethick-Lawrence goes very fully into this whole question of pensions being based on contracts and lays it out, in my view, very well that one cannot contend that a contract has been kept if the cost of living has been permitted to rise. Further down he says this. I am still quoting Mr. Pethick-Lawrence:

There is this further point when we are dealing with employees of the state. A private employer may argue that he had nothing to do with fixing the value of money, that it is an act of God so far as he is concerned, God being the state or possibly the Chancellor of the Exchequer.

It is too bad that he does not say "the Minister of Finance" so that it would come a little bit closer to home but I am sure the connection is not overlooked. I continue the quotation:

When the state makes a contract, however, it itself has the power of altering the value of money, and, therefore, the state cannot quite get away with that excuse. Therefore, I have come to the conclusion and I think it is the same conclusion to which the Chancellor has come, although he may not have put it quite so bluntly, that in equity the state must review its contracts to meet the situation.

Mr. Speaker, that is exactly what I asked Mr. Ilsley to do many years ago. That is exactly what I asked Mr. Abbott to do every year that he was minister of finance. That is what I am still asking the present Minister of Finance to do, namely to review these contracts, to recognize the principle of equity and to do something to meet the situation of our retired civil servants.

I know, Mr. Speaker, that there are those who think that this is just that same old speech being made over again but even Your Honour will admit it is a different speech although it is on the same subject. I know there are those who say, "We are going to have to listen to these speeches as long as the hon. member for Winnipeg North Centre is here." There is one way in which the government can put a stop to the making of these speeches on behalf of the retired civil servants and that is by doing justice to them and bringing in a measure or putting in the estimates at this session an item that will provide for an increase in the pensions of these people and put them on a basis whereby they can cope with today's cost of living.

Let us not hear any more the argument that the government must concern itself with what other employers are doing. I know that the government sometimes takes the view that it must not be the best employer in the country. It should not be the worst either. But I am not satisfied even with the idea that the government should be an intermediate kind of employer. In my view the government as an employer should lead the country, should be a model employer and in this matter should give a lead to other employers and other jurisdictions. Let it not be argued that the old age security pension without a means test takes the place of an increase in these pensions. Other people obtained the old age pension without a means test in addition to whatever other income they had or whatever income they may earn. That is no answer at all to this problem. As a matter of fact, so far as the old age pension is concerned, the Minister of Finance knows what I think should be done about it. I believe the amount of that pension should be increased as well. We shall deal with that matter on another occasion. For the moment we are dealing with this specific problem, namely the plight of our retired civil servants. As strongly as I can I put it to the minister that he should not let another session go by just sloughing the matter off by making the same old answer. This session apparently—and I hope it is true—there is going to be an increase in civil servants' salaries. That is fine. One of the reasons for it is the greater productivity of the country. Another reason is the increased cost of living. Those same reasons make possible and make necessary an increase in the pensions of retired civil servants. I call upon the minister and the government to give the lie to my opening words, when I said that the minister has a closed mind or is stubborn.

I hope the minister will show that such is not the case. I call upon him to take action upon this important issue at this session of the house.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, at the moment I do not propose to debate the question with my hon. friend but, as he considers it to be a matter of some moment and as this is the time for the mention of so-called grievances, it would be appropriate for me to say that I shall be glad to consider the arguments he has made and to consider the principles which he says were acted upon in the United Kingdom. At the same time, of course, I will not say more than that the situation may well be entirely different. However, that would be only a matter of detail.

I appreciate the opening remarks about myself. It really does not matter whether the hon. member calls me genial, stubborn or one having a closed mind. I shall discharge my duty by considering what he said and will give him an answer on another occasion.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I do not intend to take much time, and I may say that I am speaking entirely extemporaneously.

I am wondering why the hon. member who introduced this subject confined his remarks particularly to the civil servants. I do not think he intended to necessarily. I think we can say that the financial policy of the government over the years has been of such a nature that people now retiring with pensions that were at the time of contributing equal in purchasing power to what they expected would give them a fair living, have depreciated considerably so that today the dollar value of the pension has seriously diminished. Now, that of course applies to all pensions, civil service or otherwise.

I know that the Minister of Finance (Mr. Harris) perhaps is directly responsible for the civil servants of Canada but because of financial policies that have been pursued the minister is responsible to the entire population of Canada and, in respect to the matter under discussion, all people who may be living on pensions resulting from contributory schemes. I have met retired bank managers, particularly in the cities of Victoria and Vancouver, who had been paying into pension schemes inaugurated by the chartered banks years ago which were looked upon as being fairly healthy pension schemes. What has happened? Those men, honoured in their profession, are now having to live on a pittance. Why is that so? It is not because they do not draw the amount of pension that is due to them, but because of the depreciation in the value of the dollar in terms of purchasing power.

Now, not only does that apply to bankers but it applies to any class of person who has been on a contributory pension scheme. In a previous session of parliament I once illustrated the point. I visualized a person going to the bank years ago and saving his dollars expecting in the years to come to be able to draw out money which would be worth so much in purchasing power. I visualized this person in his old age going to the bank and drawing from his savings account perhaps all that he had there. On his way out of the bank he is held up by a robber. In the process a little scuffle takes place and the thug gets away with half the man's savings. Supposing that happened today in reality? What would you discover? You would find that the police would be on the track of the thug, attempting to run him down. If he were caught he would be hailed into court and sent to prison.

Well now, what is the difference? Today the same person who put his savings into the bank many years ago goes to the bank and draws out his savings. He finds that in terms of purchasing power his savings are worth only half what they were worth many years ago. What is the difference? The difference is only this, that the robber who held up the man at the bank was a crook and was sentenced to jail. In the case of the depreciation of purchasing power, it is a matter of the government pursuing a wrong policy that actually robbed the man of half his savings. Now, of course, I am not going to accuse the Minister of Finance or the government of being dishonest men. I would say that they are pursuing financial policies which, in themselves, are not honest. Until they can arrive at a policy whereby the purchasing power of our money is retained over the years, then we will always have this very aggravated situation of the depreciation of the value of one's savings, whether it is in the bank or whether it is put into a pension fund. The financial policy being pursued by the government now, in reality, is a steal—not that they have stolen money personally, not that they have been, in themselves, dishonest, because I think they are honourable men trying to pursue what they regard as honourable policies. But in reality the policies are dishonest by reason of the fact they filch from the people their purchasing power.

Now, Mr. Speaker, I need say no more. I do not believe the problem can be remedied merely by the Minister of Finance saying, "Well, we will increase the pensions because the cost of living has increased and of course we will tax the rest of the country

to pay the pensions." Now, that might be all right as a temporary thing but it does not get to the heart of the trouble. It does not get to the disease that is eating away the body. We must correct the financial policy of the country in order to stabilize our dollar so that its value does not fluctuate as it has over the years in terms of purchasing power. I do not believe there will be a solution found until a right financial policy is pursued that will get to the heart of the trouble.

Mr. J. A. Byrne (Kootenay East): I am sure, Mr. Speaker, that the hon. member for Macleod (Mr. Hansell) has more or less confused the issue by bringing in the question of inflation and the depreciation of the dollar. If any monetary philosophy calculated to depreciate the value of the dollar was ever conceived before, it is certainly the philosophy of social credit. These people would have money printed in a way that would, in the words of Social Credit members, equate the money supply with production. It is that very thing that has caused the depreciation of the dollar in Canada. There is more money in circulation in relation to the amount of production than there was some 30 or 40 years ago or even 10 years ago. This, in itself, has caused the pensioner to be in an adverse position today.

I am not one who wishes on every occasion to support the hon. member for Winnipeg North Centre (Mr. Knowles). I would think there would be more sincerity in his undertaking if he did not rise on almost every occasion to find some way of reducing the power of the government to raise money. Only recently the hon. member introduced a motion calling for certain reductions in the tax revenue by removing the 3 per cent floor on medical expenses. I am sure that either he has, or some members of his party have, already indicated that the income tax exemptions should be raised. That again would mean a loss to the federal treasury. Someone near me in this section of the house has calculated the additional money that would be required if we had undertaken all of the measures proposed by the C.C.F. party during this session. It runs into something over $1,500 million. The hon. member himself will not feel that I am being unfair when I say that I doubt somewhat the sincerity of his proposals.

The question that the hon. member raises at this time affects almost everyone on a fixed pension. Pensions that are based on contributions made ten, fifteen, twenty, or even thirty years ago are totally inadequate today and no one denies that fact. There is something entirely wrong with our pension system that is based on contributions made in an economy such as ours where there is no absolute control such as the socialists would wish to have. It seems to me that if we were to follow the philosophy of the Social Credit party it would also mean almost absolute control of prices, wages and so forth. So long as we allow prices to fluctuate—and they do—pensions will not be satisfactory. When I say "fluctuate" it probably does not adequately describe what does take place in our economy because if we go back to 1900 we shall find that wages averaged around $2 a day. Even up to 1925 they were around $3 or $4 a day. When contributions are made on that basis the pensions cannot possibly be adequate. Wages are now running at $2 an hour, $15 and $16 a day, and in many instances up to $18 and $20 a day. Therefore, one can see the inadequacy of pensions provided both by the civil service and by industry on that basis. Pensions should be based on the cost of living at the retirement age. I know of many industries employing large groups that do favour that type of pension plan. The pensions paid are paid on a basis of length of service and on the highest last ten years' earnings or the last five years' earnings, whichever is the greater. That is a reality that should be faced. I am sure it is more important actually than paying $40 a month which hon. members across the way were so insistent was the requirement, $40 a month to people who might be earning $5,000, $10,000 or $15,000 a year. They said that $40 a month must be paid to every one of those independent people. It does appear in our budget and creates the impression that a very large sum of money is being paid out. In reality it is returned even before it is paid out, but it does appear as a budgetary expense. For that reason it is very difficult to make an increase based on some millions of pensions.

Let me get back to the people who are living on a very low income; that is, on a pension based on earnings made some thirty or forty years ago. Certainly, it is very difficult to imagine how they sustain themselves. I am fairly well acquainted with two large companies that within the last few months have increased pensions to those who were retired prior to the rapid increase in wages and prices that has taken place since 1950. They have increased their pensions from a low figure of $1 to $50 a month, depending on the length of service of the pensioners and their earnings at that time. Perhaps we should face this question. But when facing it, it would be more appropriate for the members of the opposition to face the realities of the situation, namely, how are we to raise the money for

that purpose, and not on every occasion be faced with want of confidence motions which supporters of the government have to vote against. I refer to those very popular motions asking for a reduction in taxes here and there. Let us have a little more sincerity over this problem. Let us all face the facts truthfully and I am sure we shall be able to do better for everyone.

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to ask the Minister of Finance whether the arguments put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) on behalf of the pensioners do not apply with equal force to the holder of federal bonds, and if so whether or not those individuals are entitled to the same measure of relief as the pensioners? We have to be fair about this.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I could not endorse more strongly the last words of the hon. member for Kootenay East (Mr. Byrne) who said: Let us have a little honesty and sincerity in debate. I am not going to deal with his attempted slur on the sincerity of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles). I do not think it requires any comment at all. The comment when it does come—and I have no doubt it will come—will come quite strongly from that large body of civil service pensioners who for many years have been looking to the hon. member for Winnipeg North Centre to present their case to this house.

I speak with some considerable knowledge of the conditions in which many of these people are living today, because many of them live in the constituency that I represent. That is not surprising, since it is of course the most salubrious part of Canada. I hear mutterings from around me about that. Of course, it is an incontestable fact, otherwise retired civil servants would not come there in such large numbers. Seriously, though, many of them are living in very straitened and difficult circumstances. I must say I have been encouraged by the fact that the Minister of Finance (Mr. Harris) gave us a much more encouraging reply and intimated that he was contemplating a study of this problem. Now he shakes his head and dashes all my hopes.

An hon. Member: Make up your mind one way or another.

Mr. Cameron (Nanaimo): Well, that shows you on what crumbs of encouragement the opposition has to live and now the crumb has been snatched away from us by a shake of the ministerial head.

Mr. Knowles: But the shake of his head is not on *Hansard*.

[Mr. Byrne.]

Mr. Cameron (Nanaimo): Nevertheless I do think, sir, that as the responsible body in Canada for the conduct of our affairs we in this house should very seriously consider the position in which many faithful servants of the Canadian people are left in their latter years. In my constituency I am continually coming across men and women up in years who are now forced to scrape and scrimp and just get by after years of service in the public service at what I think we will all agree are not particularly generous or extravagant salaries.

In fact, I think it is not too much to say that the salary rates of civil servants are to some extent based on the assumption of security of tenure and an adequate pension at retirement age. Owing to the reasons that many hon. members have stressed here tonight those pensions are now totally inadequate.

I remember some years ago in the provincial legislature of British Columbia we faced the same problem with regard to civil servants and to teachers who are not, of course, civil servants strictly speaking. It was decided at that time that, in spite of the actuarial arguments against increasing the pensions, some action had to be taken because many of these people were in desperate straits. At that time the provincial legislature did place in the superannuation funds governing the pensions of these people a large sum of money to increase pensions for those who had been pensioned some years before. In spite of the discouraging shake of the head just now I would urge the minister to consider seriously the plight of these people who have served so well and faithfully for many years.

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

UNEMPLOYMENT INSURANCE—HOSPITAL EMPLOYEES

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am assuming that all those who wish to speak on the particular matter that is under discussion have spoken.

I should like to mention briefly another matter before the house votes on the question as to whether you can leave the chair. My grievance arises out of a subject matter that was discussed actively in the industrial relations committee last session while the Unemployment Insurance Act was under review. I am quite sure that if the Minister of Labour (Mr. Gregg) were in his seat at the moment he would recall this particular discussion quite well.

The subject matter of my grievance arises out of the fact that, in spite of that discussion

and in spite of the assurance that was given to us in committee by the Minister of Labour at that time, employees of hospitals throughout this country are still not able to secure the benefits of unemployment insurance in like manner with others in similar positions employed by other employers.

My understanding is that at the present time the only regulation which brings hospital employees under the coverage of the act is one affecting only casual employees. I have a letter which I received recently from the secretary of the hospital employees union in British Columbia which indicates to me that the non-medical employees of hospitals in British Columbia are covered only in the case of two hospitals where they have succeeded in negotiating with their employers and by consent they have been brought in under coverage of the hospital insurance act.

Last year when the Unemployment Insurance Act was under review I argued quite vigorously but unsuccessfully against the inclusion in the new act of a principle which as far as I can recall affects only hospital employees, employees of charitable institutions with the exception also of employees of the crown in right of the province, and that principle is that they can be brought under coverage only with the consent of the employer.

I objected most strenuously, as I say, to the continuance of that principle within the act and suggested that if the phrase had been changed to read, "on application of the employees," it would have been a much more equitable arrangement and would have been one which would have allowed employees in perhaps certain types of hospitals who did not wish to come in to remain outside the coverage of the act. Nevertheless the act was passed in that form but in the committee the Minister of Labour did state, as recorded on page 255 of the minutes of the committee, that the matter was under active consideration by the cabinet after having received the recommendation of the unemployment insurance commission and the unemployment insurance advisory commission.

This was a recommendation which would have brought in the entire list of employees which the Minister of Labour set forth as recorded on page 253 of the proceedings. This list of employees included: clerks, stenographers, secretaries, bookkeepers, switchboard operators, laundry workers, stationary engineers, firemen and other power-house workers, carpenters, painters, electricians, plumbers and other building construction workers, porters, elevator operators, chauffeurs, drivers and other transport workers, gardeners and other ground maintenance workers, printers, machine operators and other craftsmen, and all categories of employees who normally come under the provisions of the Unemployment Insurance Act when employed by other employers.

In spite of what I felt to be the almost certain assurance when the committee rose last year, that long before this these employees would by regulation of the commission have been brought in under the coverage of the act, this has not been done. I rise at this time to express as a grievance the fact that as far as my knowledge goes such employees are still excluded from the benefits of the act.

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

Some hon. Members: Yes.

Mr. Deputy Speaker: Is it agreed that I do leave the chair?

Some hon. Members: Agreed.

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

DEPARTMENT OF FISHERIES

135. Departmental administration, $301,000.

Item stands.

DEPARTMENT OF JUSTICE

166. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada, $513,658.

Item stands.

DEPARTMENT OF TRANSPORT

435. Departmental administration, $1,777,100.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Knowles: Better call it ten o'clock.

Mr. Harris: Mr. Speaker, I presume there is just time to take the division on the second reading of the bill with respect to short-term credit but I fancy that that would not meet with the approval of all hon. members.

Mr. Fleming: That is an understatement if I have ever heard one.

Mr. Knowles: Someone might move the adjournment of the debate and we would take a vote on that.

Mr. Harris: I think therefore we ought to rise now and we can discuss the bill tomorrow. I move that the house do now adjourn.

Motion agreed to and the house adjourned at 9.52 p.m.

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:

MEAT IMPORTS, 1955

Question No. 154—**Mr. Hodgson:**

1. What number of cattle and how much beef were imported into Canada in 1955?

2. From what countries, and how much from each country?

3. How much pork and pork products was imported into Canada in 1955?

4. From what countries, and how much from each country?

Answer by: **Mr. Howe (Port Arthur):**

1 and 2. Canadian imports by countries, of cattle and beef, period January 1 to November 30, 1955:*

	Cattle, pure bred		Livestock, n.o.p., cattle, goats, hogs, sheep and lambs (mostly cattle)	
Country	No.	Value	No.	Value
United Kingdom	204	$143,758	1	$ 202
United States	1,189	656,391	19,901	460,313
Totals	1,393	$800,149	19,902	$460,515

	Beef and veal, fresh		Beef, canned		Beef, pickled	
Country	Lb.	Value	Lb.	Value	Lb.	Value
United Kingdom	12,856	$ 4,722	74,189	$ 20,751	—	—
Australia	55,989	12,245	8,397,798	2,632,747	2,320	311
New Zealand	2,776,926	530,452	246,000	109,668	—	—
Argentina	—	—	3,383,256	1,120,123	—	—
Denmark	—	—	10,623	7,474	—	—
Netherlands	—	—	281	205	—	—
Alaska	100	59	—	—	—	—
Ireland	224,000	56,448	360	159	—	—
United States	2,354,887	818,441	12,626	8,437	11,009,074	1,872,284
Totals	5,424,758	$1,422,367	12,125,133	$3,899,564	11,011,394	$1,872,595

* Latest available.

3 and 4. Canadian imports by countries of pork and pork products, period January 1 to November 30, 1955:*

	Pork, fresh		Bacon, hams, shoulders and other pork, cured other than canned		Pork, barrelled, in brine		Pork dry salted	
Country	Lb.	Value	Lb.	Value	Lb.	Value	Lb.	Value
United Kingdom	3,244	$ 898	4,908	$ 1,975				
Australia	66,445	22,708	—	—				
Alaska	—	—	203	128				
United States	—	—	26,044	20,426	Nil		Nil	
Totals	69,689	$23,606	31,155	$22,529				

Statistics on imports of other pork products are not available.

*** Latest available.**

HOUSE OF COMMONS

Wednesday, February 22, 1956

The house met at 2.30 p.m.

FINANCIAL ADMINISTRATION ACT

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

Mr. Raoul Poulin (Beauce) moved for leave to introduce Bill No. 149, to amend the Financial Administration Act.

Some hon. Members: Explain.

Mr. Poulin: Mr. Speaker, the purpose of this bill is to provide that every cheque, draft, bill of exchange, postal note, money order or other negotiable instruments of any department or of any crown corporation shall be printed in both official languages, namely English and French.

Motion agreed to and bill read the first time.

DOMINION-PROVINCIAL RELATIONS

FISCAL ARRANGEMENTS—TABLING OF LETTER AND MEMORANDUM

Right Hon. L. S. St. Laurent (Prime Minister): I should like to lay on the table a copy of a letter that I sent to the premiers of all the provinces on February 18 relating to federal-provincial fiscal matters. Enclosed with that letter was a memorandum from the Minister of Finance (Mr. Harris) giving answers to a number of questions that had been raised by provincial representatives. As was done in the case of previous correspondence relating to the same subject, perhaps hon. members would wish that these documents be printed as an appendix to *Hansard* of this day.

Mr. Drew: Agreed.

Mr. Speaker: Is that proposal agreed upon?

Some hon. Members: Agreed.

(For text of letter and memorandum see appendix, pages 1458-60.)

STARRED QUESTIONS

POST OFFICES—INSTALLATION OF BURGLAR ALARMS

Question No. 20—**Mr. Hamilton (Notre Dame de Grace):**

Has the post office recently changed its policy regarding the installation of burglar alarms in its principal post offices?

Mr. Lapointe: Following the statement made by my predecessor during last session, the whole question of security in postal establishments, including the use of burglar alarms, was reviewed by an interdepartmental committee composed of representatives from the Post Office Department, the Royal Canadian Mounted Police and the Department of Public Works.

In co-operation with the Department of Public Works, the Post Office Department is now studying ways and means of implementing the recommendations of this committee.

HOGS—FEDERAL ASSISTANCE TO RECOVER FLOOR PRICE

Question No. 21—**Mr. Diefenbaker:**

What assistance or measures to assist are furnished by the Department of Agriculture, to a farmer or other producer who, having shipped hogs to a packer, has received less than the floor price then prevailing, to recover the difference between the amount received and the existent floor price?

Mr. Gardiner: The fact is that up to date we have had nothing to indicate that that has happened. I have before me now the answer to the statement brought in by the hon. member for Humboldt-Melfort which I think is the explanation of the situation as it exists and what is done with regard to it. I shall, as indicated, return that statement to him, having read this to the house.

The hogs referred to in the attached statement were apparently delivered direct to the packing plant where they were purchased for $18.75 as compared with a floor price of $19 which applies to public stockyards in Saskatoon. It will be noted that the trucker passed the stockyards on his way to the packing plant and therefore chose the market where, in his opinion, he would receive the better price. The price received, however, does not appear to be out of line with the floor price of $19 on the stockyards as he was able to unload his hogs at the plant without any expense, whereas if they had been marketed through the stockyards he would have had to pay for such services as are required in connection with the sale of hogs on public stockyards, which could easily absorb the 25-cent differential. The price at plants is quite commonly somewhat below the stockyard price.

The application of the support price is only practical at public yards where there is competitive buying and those who wish to be assured of support prices can, in cases like

this, deliver their hogs to the public stockyards. They are, however, at liberty to sell direct if they believe they will get better returns. In doing so, they assume responsibility and may, in some cases, get a better price and in some cases they may lose. There does not, however, appear to have been a deviation from the support price through this private sale.

Those are the facts in connection with this one sale and variations of those facts would be the case in connection with others. However, the fact is that this gentleman could have taken his hogs to the stockyard at Saskatoon and have received $19, but he thought he would do better and took them directly to the packing plant where he received 25 cents less, which means that he himself was satisfied he would get a better floor price there than he would if he had delivered to the yards.

Mr. Diefenbaker: I wish the minister would now answer the question I asked as to what measures, if any, can be taken where less than the floor price is actually paid by the packer on shipments made directly to the packer. Is there any method or means whereby the producer can be protected?

Mr. Gardiner: I will say again what I said at the beginning. There has not been any case where it has been necessary to put into effect—

Mr. Diefenbaker: Oh yes.

Mr. Gardiner: There has not been.

Mr. Diefenbaker: Yes, there has.

Mr. Gardiner: Well, there has not, and since there has not been we have not found it necessary to devise ways and means of dealing with it. Immediately a case is brought to our attention where that has been true we will devise ways and means of dealing with it.

Mr. Diefenbaker: So there is no means now.

Mr. Gardiner: There are means now. The means are there. The farmer who goes to the stockyard will get the floor price.

FLUORIDE TOOTH PASTES

Question No. 22—**Mr. Goode:**

1. Has the Minister of National Health and Welfare received any communications from individuals or associations warning of danger in the promiscuous use of fluoride tooth pastes?
2. If so, from whom?

Mr. Martin: Mr. Speaker, I received no communications in this matter.

[Mr. Gardiner.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

MILITARY BANDS

Question No. 90—**Mr. Dinsdale:**

How many military bands are there in each of the Canadian armed forces and where are these bands located?

FEDERAL PROGRAM OF REFORESTATION

Question No. 148—**Mr. Hodgson:**

1. Has the federal government any program of reforestation?
2. If so, how many trees were planted in 1954 and 1955?
3. What was the number of each species planted?
4. Where were they planted?

PUBLIC WHARVES, NOVA SCOTIA

Question No. 155—**Mr. Purdy:**

1. At what places in the province of Nova Scotia, other than Halifax, are public wharves located?
2. What was the expenditure on each of these wharves, including protective works and approaches for the five years ending March 31, 1955?
3. What was the expenditure for dredging, for the same period at each of these points?
4. What was the net return to the treasury from each of these wharves by way of harbour dues and wharfage, for the year ending March 31, 1955?

LEGAL SERVICES, EDMONTON

Question No. 163—**Mr. Holowach:**

1. What lawyers or law firms, if any, in the city of Edmonton, Alberta, were retained by the federal government or any branch thereof, during the period from January 3, 1955, to January 2, 1956?
2. What sums were paid by the federal government and all departments thereof, to each such lawyer and law firm?
3. What amounts, if any, are still owing, or claimed for services and to whom?

TRADE

GREAT BRITAIN—INQUIRY AS TO WITHDRAWAL FROM INTERNATIONAL WHEAT AGREEMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. Would he tell the house what action, if any, is being taken to secure the adherence of Great Britain in the face of its desire to withdraw from the international wheat agreement? Would the minister also say whether or not the instructions to our representatives in Geneva comprehend the acceptance of an international wheat agreement without Britain? Would he also say what is the maximum price on which Canada is standing in respect of the prices to be determined under this agreement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, representations have been made by Canada to the government of the United Kingdom. I think all the representations that can properly be made have been made. The decision, of course, is for the United Kingdom, and apparently that has been taken. Canada, as I said before, is represented at Geneva by the presidents of the six leading farm organizations in western Canada, and their instructions are sufficiently flexible to allow them to make such recommendations as they believe to be in the interests of the western producers. No recommendations have been made by them up to the present time. When they are made, consideration will be given to them.

Mr. Diefenbaker: May I ask a supplementary question, Mr. Speaker? Will Canada accept an international wheat agreement, or support one, in which Britain is not one of the members?

Mr. Howe (Port Arthur): Mr. Speaker, Canada has not been asked to support anything. We would like to get advice from people on the ground before we answer any questions of that kind. We are not taking any stand whatever, either publicly or privately, that would interfere with the six farm leaders who represent us at Geneva as advisers in giving such advice as they think will be in the best interests of the producer.

Mr. Argue: May I ask whether this means that the government's position has been modified since the minister's statement that in order for Canada to support an agreement it would have to cover about two-thirds of the wheat going into world markets?

Mr. Howe (Port Arthur): That discussion was held in the expectation that Britain would be a member of the agreement. I do not wish to state any position. My hon. friend has been one of the first to declaim here time after time that we must listen to the advice of the farm leaders. We are going to do that in this case.

Mr. Argue: Will the minister say whether he listened to the advice of the farm leaders when he made the statement in the house that Canada would support an agreement only if two-thirds of the world wheat in trade was covered, and if he has read the statement since of the vice-president of the Saskatchewan farmers' union?

INQUIRY AS TO CANADIAN DEFICIT WITH U.S.

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I direct a question to the Minister of Trade and Commerce, Mr. Speaker? In view of the deficit of $840 million in Canada's 1955 commodity trade with the United States, as just announced, may I ask the minister what measures, if any, the government intends to take or propose to bring about a better balance in Canada's trade with the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, as far as the Department of Trade and Commerce is concerned, we plan to take no steps.

[*Later:*]

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, in view of the fact that the Minister of Trade and Commerce has just told us that the Department of Trade and Commerce is doing nothing about the deficit in our trade with the United States, can he tell us whether any other department is doing anything?

Some hon. Members: He did not say that.

Mr. Howe (Port Arthur): Mr. Speaker, I suggest that my hon. friend ask the other departments.

Mr. Knowles: That will take time.

[*Later:*]

On the orders of the day:

Mr. Macdonnell: Following the advice of the Minister of Trade and Commerce, may I ask the Minister of Finance if his department is doing anything about this?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, it is true that I accept responsibility in the house for the customs tariff and any items of that nature which affect trade, but in so far as the promotion of trade is concerned I am happy to follow the leadership of the Minister of Trade and Commerce.

Mr. Knowles: And he says he is not doing anything.

INQUIRY AS TO CANADIAN-RUSSIAN AGREEMENT

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, in view of the fact that a few minutes ago it came over the radio that a Russian trade agreement had been accepted in principle, I should like to know if the Minister of Trade and Commerce (Mr. Howe) would tell the house now what the principles of the trade agreement are.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, to the best of my knowledge and belief negotiations for a Russian-Canadian trade agreement are still in

progress. When they are completed I shall be glad to announce the results to the house.

IMMIGRATION

INQUIRY AS TO CONFERENCE WITH PROVINCES AND OTHERS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether arrangements have been made for a conference with provincial officials as well as with representatives of labour organizations and of the Canadian Chamber of Commerce and others on the subject of immigration. If so, what is the nature and purpose of such conference and when will it be held?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Well, sir, arrangements have not actually been made for such a conference. Invitations have been issued in the last day or two. It is planned this year to have one conference instead of having more than one. In other years I think there have been two, one with representatives sent by provincial departments interested, and one with various organizations such as the chamber of commerce, the federation of agriculture, the Trades and Labour Congress, the Canadian Congress of Labour and various other organizations interested. It was thought it might be more useful to have all these people who are interested directly in immigration who are co-operating with the department come together to discuss the program for the coming season. There is nothing new about the principle of the thing; it has been done for the past four or five years but the meetings are all going to be held together.

Mr. Fulton: Then, are we to take it from what the minister said it is not a conference to make a more fundamental inquiry into immigration than the conferences of the past have been?

Mr. Pickersgill: It is a conference having to do with administration and related problems. It has nothing to do with any of the fundamentals of policy which I take it come before this house.

INQUIRY FOR RETURN

FLOOD DAMAGE, SASKATCHEWAN

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Prime Minister (Mr. St. Laurent). Could the Prime Minister state when I might expect the tabling of documents concerning the extent of flood damage in Saskatchewan, for which there is an order for return dated February 6?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think that will be forthcoming within the next day or two. I saw the intended report this morning and I felt it was not quite complete. I therefore asked to have further inquiries made so that the report might be complete when it is tabled.

CRIMINAL LAW

INQUIRY AS TO REPORT OF ROYAL COMMISSION RESPECTING CRIMINAL SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Justice (Mr. Garson) with reference to a question I addressed to him on February 8, and which he took as notice. Is he now in a position to tell us how soon the report of the royal commission headed by the chief justice studying the problem of sex offences will be completed?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, following my hon. friend's question on February 8 my deputy had an opportunity of conferring with Chief Justice McRuer, who is the head of this commission, but as a result of their discussion I do not think I can add anything to the reply which I made to the question asked by the hon. member for Middlesex East (Mr. White) on a previous occasion. My reply then was to the effect that it will be some months before we can expect a report from the commission. I am sure my hon. friend will realize that in an inquiry of this sort the completion of the commission's work cannot be forecast to within a few days.

NATIONAL DEFENCE

AUSTRALIAN ATOMIC TESTS—INQUIRY AS TO CANADIAN REPRESENTATION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is a joint military and civilian observer force to be sent to view the atomic tests this year off northern Australia?

Will the government consider sending a Canadian parliamentary delegation so that public representatives may view the destructive power of nuclear weapons?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, the answer to the first question is that the matter is under

discussion at the present time. I cannot really say more than that at the moment.

With respect to the second question I would expect that any consideration would be predicated upon receipt of an invitation. I am not aware of any invitation for hon. members to attend but I shall look and see whether I have missed something.

IRRIGATION

SOUTH SASKATCHEWAN RIVER— INQUIRY AS TO PRESENT POSITION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Prime Minister arising out of a discussion last evening in regard to certain items in the estimates respecting the South Saskatchewan river dam and irrigation project. Has the government decided as yet whether or not to go on with that proposition?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, the government has not decided whether or not to go on now with that proposal.

LIVESTOCK

REQUEST FOR FURTHER INFORMATION FROM PACKERS TO PRODUCERS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Would the minister suggest to packers that they fill out in the space provided on return statements to producers the extra costs connected with settlement in order to clear up any doubts in the minds of the producers as to the basis of settlement?

Right Hon. J. G. Gardiner (Minister of Agriculture): I did not hear the question quite clearly but I shall take it as notice when I see it in *Hansard*.

ST. LAWRENCE SEAWAY

PROTECTION OF CANADIAN PROPERTY AGAINST CHANGE IN WATER LEVELS

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, on February 17 the hon. member for Eglinton (Mr. Fleming) asked the following questions:

> Are there any negotiations under way at the present time, either with the United States government or with the provinces concerned, arising out of the construction of the St. Lawrence seaway, in which questions are being raised as to protection of property bordering on the lakes? If so, what steps are being taken on behalf of the Canadian government to see that Canadian land on the lakes is being properly protected against change of water levels?

I should point out that in the international joint commission order of approval of October 29, 1952, concerning the power developments in the St. Lawrence river, the following provision was inserted about protection to property owners who might be injured by the resultant change of levels of lake Ontario:

> All interests on either side of the international boundary which are injured by reason of the construction, maintenance and operation of the works shall be given suitable and adequate protection and indemnity in accordance with the laws in Canada or the constitution and laws in the United States respectively, and in accordance with the requirements of article VIII of the treaty.

That is the boundary waters treaty.

Recently, as the house knows, the governments of Canada and the United States approved the recommendations of the international joint commission on the range of elevations of lake Ontario to be put into effect when the works in the St. Lawrence river are completed. In approving these recommendations the government was satisfied that this range of elevations, which is made possible by the St. Lawrence power project, far from being injurious to property owners on lake Ontario will in fact give them some protection against extreme high and low levels which they have not enjoyed heretofore. Nevertheless, the question of suitable legal redress for the property owners who might be injured as a result of the approval of the international joint commission recommendation has been raised by interested parties on both sides of the international boundary. Consequently both Canada and the United States are examining the adequacy of legal redress for injured interests as described in the international joint commission order and exchanges are now taking place between the two governments. In addition, since this legal redress falls partly within the jurisdiction of the provinces, consultations with provincial authorities will take place.

Mr. Donald M. Fleming (Eglinton): May I ask the minister if on the outcome of these negotiations and studies a suitable public announcement will be made so that those whose properties are affected will have ample notice of the redress which lies open to them?

Mr. Pearson: Yes, I think at the appropriate time such notice should be given.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I have another question I should like to direct to the Secretary of State for External Affairs which he can take as a notice because I am quite sure he would not

have the necessary information available. Would the minister be prepared to say what the level of lake Huron will be upon the completion of the St. Lawrence seaway, and if it will be at all possible to divert more water to the Chicago drainage system?

Mr. Pearson: It is my impression that the level of lake Huron will not be affected by the seaway, but as my hon. friend suggests I shall take his question as notice so that a reply can be given later.

GRAIN

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

The house resumed, from Friday, February 17, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain, and the amendment thereto of Mr. Nicholson.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, when the house adjourned last Friday afternoon I was making the point that, in contrast to the position of the United States in relation to the critical situation in the grain trade, Canada was doing comparatively little. In support of that viewpoint, I merely have to quote the title of the bill we have been discussing for some time now, Bill 82, which suggests that the problem facing the wheat producers is only a temporary problem which requires merely temporary financial assistance as provided in the bill before us. I would like to disagree with that viewpoint as strongly as possible.

Up to the present moment, other than the bill we have before us, there has been no action on the part of the government to deal with the problem. Admittedly, we shall have Bill 83 before us within the next few days but, with reference to the position of the United States and its aggressive sales policy, we have had only mild reprimands from this government. Another possible solution has been put forward, and that is the possibility of some national disaster such as a drought that would automatically solve the surplus problem with which we are faced at the moment.

It would seem that the government has decided to adopt what might be called a status quo approach to this difficulty, and that, of course, is indicated by statistics that are available concerning Canadian participation in world wheat marketing in the past ten years. While the pattern has been changing considerably and the United States has been moving into that area aggressively, we have continued to participate in the world wheat market only to the extent of some 30 per cent.

It must also be recalled that during the immediate post-war years we benefited considerably, by way of exports to the European market, from the extensive United States Marshall aid program that was proceeding after the end of world war II. Now that the Americans have moved toward a surplus crop disposal program of their own, that particular source of export has tended to decline.

Canada is going to be faced this year with very important decisions concerning international wheat trading, and uncertainty in this regard has already been indicated by our attitude towards the international wheat agreement. Perhaps, if we had been more flexible in our negotiations when this arrangement was last up for consideration, Canada would be in a much more favourable position in the world wheat market at the present time. During recent days the Minister of Trade and Commerce (Mr. Howe) has indicated that the export possibilities for wheat in the world market are quite hopeful, and a potential figure of some 320 million bushels has been quoted as the total export figure for Canadian grain.

Mr. Howe (Port Arthur): Mr. Speaker, I cannot allow that figure to go on the record unchallenged. That is the figure of total deliveries last year, and, if anybody has quoted it as export sales, it must have been a member of the opposition. Certainly no member of the government has quoted it as the figure for exports.

Mr. Dinsdale: Mr. Speaker, I understand that is a projected figure for the possible export of Canadian wheat by the end of the current crop year.

Mr. Howe (Port Arthur): I will defy my hon. friend to find the source of that statistic. I think it is his own figure, and that he is trying to put it in my mouth. Certainly I never used that figure.

Mr. Dinsdale: I obtained it from the Searle grain report and it is usually an accurate record of the Canadian grain situation. It is the circular for Wednesday, February 15. Under the heading "Substantial marketings anticipated" is the following:

> But even more heartening, perhaps, is the minister's statement that, in his opinion, prairie producers will be able to market as much wheat as last year (320 million bushels) provided that transportation is adequate to clear sufficient space in country elevators.

Mr. Howe (Port Arthur): That exactly proves the point. Does my hon. friend think there is no difference between producers' marketings and exports? He is giving the figure for producers' marketings and calling it exports. I know he is not a farmer and has not had much farm experience; but he has lived in the farming area and should be able to make some distinction between those two figures.

Mr. Dinsdale: If the minister wishes to split hairs in that way, that is fine. I was merely indicating the possible disappearance of grain from our total surplus.

Mr. Howe (Port Arthur): Why call producers' marketings exports?

Mr. Dinsdale: Then I will change the terminology. I will admit that I am not a practical farmer at the moment, although I am descended from a long line of farmers. However, I would say that I have had as much practical farm experience as has the minister. He tends to discredit my experience in that regard but I do not think it is necessary for us to be practical participating farmers in order to make a contribution to this important discussion. The matter affects more than the farm economy directly. It affects more than the farmers directly. In fact, it involves very intimately—and I think the minister will agree with this statement—not only our western economy but our total Canadian economy and it has world-wide implications as well.

I should now like to come back to the point I was making, namely that there is a possibility that we shall market 320 million bushels of wheat by the end of the current year. That is something that is to be hoped for, of course, because it would ease to a certain extent the mounting crisis in the wheat economy. However, I think it can be demonstrated that even if we market in those optimistic amounts, we shall still have a surplus of some 600 million bushels of wheat in Canada at the beginning of the next crop year.

I had better document that statement for the sake of the record. I can do so by projecting some figures into the future. We have at the present time, or at least as of January 11 of this year, 797·5 million bushels of grain available. The estimated domestic utilization between January 12 and July 31 of this year, which will be the end of the crop year, can be projected at 30 million bushels. That is estimated on a total average domestic consumption of some 60 million bushels. Estimated exports of wheat and wheat flour from winter ports from mid-January to mid-April can be estimated at 60 million bushels and, from the opening of navigation to July 31, at some 105 million bushels. Hence the total estimated disappearance from January 11 to July 31 of this year will be something like 195 million bushels. Subtracting that figure from the total available supply at the moment of 797·5 million bushels, we find it leaves us with a surplus of 602·5 million bushels. That is a sizeable carryover in any one crop year and that statement is all on the basis of the optimistic marketing figure of 320 million bushels. This problem is therefore not temporary, Mr. Speaker; it is a continuing problem and it must be met by more substantial and vigorous policies than those which have been enunciated by the minister up to the present time.

There is another point to be considered in connection with this matter of the sale of grain. During recent months we have had an increase in the export marketings of grain. That is largely owing to the fact that we have had to drop, by substantial margins, the price of our lower qualities or lower grades of grain. If that had been done before, perhaps we would have been able to clear the low quality grain that was clogging our distribution system and thus would have been in a happier position today. But since last August, for example, No. 5 grade, which was then $1.49 per bushel, has decreased in price to $1.22 per bushel. That was at December. No. 6 grade has decreased in price from $1.47 in August to $1.18 in December and feed grain has decreased from $1.44 to $1.14. The result is that the demand for that lower grade grain has considerably increased and is largely responsible for the increased marketings during recent months, including the special arrangements with countries behind the iron curtain.

I should like to bring to the attention of the house another point which is sometimes missed. We are concerned not only with the problem of wheat. It must also be noted that other coarse grains including barley, oats and rye, exports are down for the past few months. For example, the figure for barley is 13 million bushels behind that of the previous year and for oats it is 15 million bushels behind. On top of that we have our perpetual box car situation. All of these circumstances tend to suggest that the prairie grain farmer is going to find himself in distress for some considerable time ahead. This means that the government must take much more strenuous steps than it has already indicated in any legislation we have before us.

This point was summed up by the twentieth century research fund project on the grain problem in North America, which incidentally included a Canadian, namely Dr. Andrew Stewart, president of the University of

Alberta. Dr. Stewart at the present time is serving as a member of the Gordon commission which is dealing with Canada's general economic position and its prospects for the future. In summing up this long-term problem of agriculture and in summing up the problem of the crisis with respect to grain, we must remember that it is basically a North American problem. Canada and the United States are producing tremendous surpluses which have caused the glut on the world market. Among many other conclusions, the twentieth century fund researchers came to this conclusion, which I think emphasizes the point I am trying to make at the present time:

> . . . we recommend that effective aid be given to individual farmers in working out the kinds of changes in farming that will enable them, with as little hardship as possible, to make the adjustment that apparently will have to be made in the not distant future whatever kind of program is adopted. Where such adjustments put a severe strain on the resources and income of the farmers concerned, we favour liberal aid in the form of special credits and, if necessary, special payments during the transition period.

The twentieth century fund researchers, after looking exhaustively at the problem from all its aspects, came to the conclusion that there was a critical situation in our agricultural economy. They came to the conclusion that during the transition period—it is not a temporary thing—the maximum assistance would have to be given to the farmer by way of professional advice on diversifying his economy and solving his economic difficulties as well as by way of direct credit and cash extensions to him. That, of course, is contrary to a lot of the traditional economic thinking on the North American continent but in both the United States and Canada the role of government in the marketing of grain and in agricultural policy generally has become very firmly established during the past 20 years, and because of the situation as it exists at the moment the Canadian government has to take very vigorous action to deal with the difficulty.

I say that obviously we are being presented with the traditional Liberal policy that has often been referred to as hope and grope, hoping that everything will work out for the best, waiting for something to happen that will be in the best interests not of the people of Canada but of the party in power. That has been the policy followed by the present administration since the end of world war II, and long before. At the end of the war we were preparing for a depression. We were gearing ourselves for a depression. That was the advice of all economists. In our attempts to stave off the anticipated depression we ran into inflationary conditions, and I would point out that inflation is one of the basic causes for the grain producer's difficulties at the present time. He is caught in the cost-price squeeze as a result of continuing inflationary pressures in Canada.

Notwithstanding the anticipated depression, Canada, because of her changed position in the world economy, because of the devastated European markets and because of the unanticipated demands for consumer goods and so forth, moved into an era of prosperity and the administration immediately took credit for that period of prosperity. I remember that in 1953 the slogan was, "Keep Canada Prosperous, Vote Liberal". The prairie farmer is not enjoying that prosperity for some of the reasons I have pointed out and for reasons that other speakers have mentioned in this debate. It is a difficult, complex, economic problem. It is related to the situation with which the west has been confronted under all the long years of Liberal administration, namely, an underdeveloped economy, and an attempt to play off the east against the west on the basis of bogus issues such as free trade versus protection and so on.

I was interested in a newspaper dispatch concerning the speech by the Minister of Northern Affairs and National Resources (Mr. Lesage) last Saturday to the Liberal students federation in which he said that the Conservatives were responsbile for speaking with two voices in Canada. That particular point might go over on the hustings, but it certainly will not go over with a group of university students because we now have available in Canada very excellent political histories.

For one I could mention the excellent work on the life of John A. Macdonald that has recently been completed by Professor Creighton of the University of Toronto which puts a lot of the political history of Canada into its correct perspective. Our university students are reading these political histories. Fact is being sorted out from fiction, propaganda from history, and it is being discovered that more than one political party in Canada has made outstanding contributions to the national development of our country. I could mention other works such as "The Age of Mackenzie King" or even Bruce Hutchison's book, "The Incredible Canadian", which refers to a former Liberal prime minister as the Blondin of politics, indicating an ability to juggle precariously on both sides of the political tightrope.

To sum up my remarks, the point is that nothing is being done in a positive way to deal with the critical agricultural situation facing Canada and the United States. It is essentially a North American problem, and if we are going to solve it we must go much

further than the bill we have before us in order to deal with it adequately over the next decade or two. A balance must be restored between production and consumption. Healthy trading relations must also be established because wheat in North America depends upon a thriving export market for its continued prosperity.

Just a few moments ago we had an example of the hope and grope policy. The Minister of Trade and Commerce was asked if it was the intention to do anything about the unfavourable balance of trade that Canada has with the United States, and the answer was no. That, Mr. Speaker, is not good enough, and I am sure the people of Canada will readily come to that conclusion. In solving this problem changes will have to take place step by step. There are no easy overnight solutions and these changes as they come step by step will have to be made in the right direction. I submit that the measure now before us does not move in the right direction but is rather a retrograde step.

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, we on this side of the house have been taunted many times about not getting up and speaking, but for the last week I have been trying to get the floor and every time I did somebody got ahead of me. Therefore, I have been left over until today. It has been said many times in the house that we in the centre of this country are not interested in the farmers' plight. I should like to say, Mr. Speaker, that we are not only interested in the farmers' plight but we are in great sympathy with the farmer. We believe it is in the interest of all Canada that the farmer be prosperous. If the farmer is not prosperous, then there is very little prosperity in the country. It is my belief that we should help him in times of depression and whenever a need arises. But, Mr. Speaker, there is a limit to the help that we should give to the farmer. Should we go beyond common sense, or should we help him whether he needs it or not?

The hon. member for Macleod (Mr. Hansell) told us the other day that in his province many of the farmers own farms greater in area than the whole state of Israel. Surely, Mr. Speaker, you could not consider him a poor farmer or a farmer in need of help. If he owns that amount of land and cultivates it, he has ample opportunity in the good years to put aside something for a rainy day.

It is the duty of the government to help the farmers, as I have said, and I am sure the government is very anxious to help them and to see that they receive their fair share of the revenue of Canada. But surely the intelligent farmer, as he is—we all recognize that the farmers on the prairies are very intelligent men because they have prospered to a great extent during the last few years—has put aside a reasonable amount of money. Not all of them need help; perhaps some do. We have been told that there are around 200,000 farmers in the west. Surely, 150,000 of those do not need help. If the government were to guarantee loans to farmers, irrespective of whether they have money or not, those 200,000 farmers would be able to obtain guaranteed government loans without any interest. What would be the result? We all know that the majority of farmers as well as the industrialists and everyone else have some collateral. They hold mortgages, bonds, stocks, that they can call on for a rainy day. If no interest was charged on those loans and 50,000 farmers needed help, and the loans were guaranteed to everyone, the 150,000 farmers who did not need help would surely be foolish if they did not take advantage of the government guaranteed loan. Those 150,000 farmers, whether they needed it or not, would go to the bank and secure a loan of $1,500 without any interest, and then they would invest that money in stocks or bonds or mortgages, and they would be drawing interest of $75 a year.

Mr. Ellis: What a fairy story that is!

Mr. Bourque: I ask you, Mr. Speaker, whether that would be a fair measure for the other people in Canada who pay income tax? Take 150,000 workers, white collared men or men in any category, who are in the income tax bracket which causes them to pay a tax of $75. They would be paying their $75 and the government would act as a collecting agency. They would take 150,000 times $75 and transfer it to the farmers who do not need loans. I think the government is very wise in adopting the attitude—

Mr. McCullough (Moose Mountain): May I ask a question?

Mr. Bourque: I will make my speech, if you do not mind. You may speak later. You have been speaking for the last two weeks. You have been taunting us for the last two weeks to speak. Surely you can let me speak for a few minutes so that I can make my point.

Mr. Knowles: Make it sensible.

Mr. Bourque: You have been asking everybody to speak. Let us speak. This is a question that affects the whole country, not only the westerners.

Surely, Mr. Speaker, if this is a measure that the opposition is trying to foist on the government, the government has the right

to resist and to say to those people: You are asking us to put through a measure that is not fair and equitable to all the people of the country whom we represent in this house. This government represents the working men, the farmers, the wealthy men and everybody. It has to present a measure that is fair and honest to everybody. That is why the Liberals have always come back with a very large majority. That has always been the policy of this party, and I am sure it will remain the policy for many years to come no matter how many people rise in their places and try to change the policy of this government.

We have listened to a lot of palaver for the last week or so; we have listened to all kinds of arguments. I think I am right in saying that the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner) have done a wonderful job in resisting this. Surely, as they have listened to all the palaver that has been said, they have been tempted to throw up their hands and say: "Oh, why bother?" But they are cognizant of the needs of the country, and I am sure that no matter what palaver comes from the opposition they will resist any measure that is unfair to all the people of Canada.

We have listened to speeches for about two weeks, and I have listened to possibly three or four speeches from the same hon. member made in the same way and in the same light. They have now run out of ideas. I can tell you, Mr. Speaker, that if we were to adopt the measure that the opposition wants us to adopt and give free loans to these intelligent farmers they would all take up the loans, but it would be a great disservice that we would be rendering to the farmers themselves because in time they would believe that it is easy to get money at any time that they ran up against a snag and other people would object. To my way of thinking, the opposition is splitting the country into many camps at the present time. They are pitting the farmers against the citizens of Canada.

Mr. Ellis: The Liberals are doing that.

Mr. Bourque: I am sure the Liberal government will resist and will see that all elements of the population are treated equitably and fairly, and that the taxes that are collected are distributed in as favourable a way as possible to all the citizens of Canada.

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, it was not my intention to speak on this bill. Perhaps I feel just a little bit like the hon. member who has just taken his seat, that everything has been said. However, after listening to his speech, there is only one thing for one to do and that is to rise and speak.

May I tell the hon. member who has just taken his seat that we are not trying to split Canada by not supporting this bill. We believe that the farmers of western Canada are entitled to a little bit more than they have received so far. No matter what the hon. member thinks, may I say to him through you, Mr. Speaker, that if it was not for the prairies—and that includes the three provinces and perhaps one farther west—Quebec and Ontario would not be enjoying the prosperity they are enjoying today. I say that for this reason. The other day I listened to the hon. member for Wellington South (Mr. Hosking), who suggested that Ontario was paying more income tax than any other province of Canada. May I say to the hon. member that we in the west feel much the same way, but we must not forget, Mr. Speaker, that all of the cars produced in this country are made in Ontario. All of the machinery we buy in Alberta, Saskatchewan and Manitoba is produced and manufactured in Ontario. When you consider how much it costs the people of the three prairie provinces to buy products that are manufactured in another province you can readily see that we derive no benefit except that we do get the cars, machinery and other products. I think we in the west are slipping a little bit. What we should do is put a tax, and a substantial tax, on the money that leaves the western provinces to purchase machinery and cars. If we did that perhaps the situation would look a little different.

Mr. Bourque: What about the wheat we buy?

Mr. Wylie: What wheat do you buy?

Mr. Argue: Perhaps he eats toast for breakfast.

Mr. Wylie: Do you eat toast for breakfast? Perhaps you do.

Mr. Argue: It is usually subsidized.

Mr. Wylie: It is all subsidized. I am not suggesting that that should be done but that is one way in which we could show the eastern provinces what the west means to them.

I was very surprised at the hon. member who has just spoken because I think his brother was mayor of Ottawa at one time—

An hon. Member: Oh, oh!

Mr. Wylie: I think I am right in saying that. I was surprised at a statement like that being made.

Bill No. 82 is an act to provide short-term credit to grain producers. May I say that in my part of the country the farmers are not asking for a handout. They do not want a handout and they certainly do not like the loans that are being made through the banks. As a matter of fact, last week in Medicine Hat there was a Liberal convention and according to the press reports there were approximately 60 or 70 people in attendance. The people attending that conference received a telegram from the Minister of Trade and Commerce (Mr. Howe) and this is what Mr. Howe had to say, and I hope he is listening to me.

An hon. Member: He will be.

Mr. Wylie: I am going to quote it the way it appeared in the Medicine Hat *News* of February 17.

An hon. Member: It will probably be misquoted.

Mr. Wylie:

Mr. Howe wired that widespread endorsement has been accorded the Liberal program of assistance to farmers—

An hon. Member: Ha, ha.

Mr. Wylie:

—and that export sales of wheat are well ahead of last year. The prospects now are better than for some years.

This is one point, Mr. Speaker, I want you to pay particular attention to.

It indicates that the party's position on wheat will not be a handicap to your candidate.

Mr. Argue: The most optimistic statement so far this year.

An hon. Member: It is probably misquoted.

An hon. Member: There is nothing wrong with it.

Mr. Wylie: Perhaps it was misquoted but I do not think so. I think there is nothing wrong with it.

An hon. Member: He is misinformed.

Mr. Wylie: When this is quoted in the Medicine Hat *News* it must be correct.

Mr. Howe (Port Arthur): We want to get a good man from Medicine Hat.

Mr. Argue: The minister says, "We want to get a good man from Medicine Hat".

Mr. Wylie: Thank you very much, Mr. Howe. I am going to read a few more articles; you have asked for it.

At this convention or rally which the Liberals held last week in Medicine Hat, perhaps they foresaw an early election; I do not know and I am really not too much worried about it because the candidate the Liberals will nominate is a man I have defeated twice already and I will defeat him again—

Some hon. Members: Hear, hear.

Mr. Wylie: Yes, I am going to defeat him again. Let me tell you what was said by the candidate who will be running for the Liberal party in Medicine Hat.

Mr. Deputy Speaker: Order. I wonder if I was not remiss in failing to have risen even before now to draw to the attention of the hon. member that we are, after all, discussing Bill 82 which has a rather limited principle. Surely the hon. member at this late stage in the debate can adhere quite strictly to the principle of the bill itself.

Mr. Wylie: Mr. Speaker, that is what I intend to do. Bill 82 was discussed at this Liberal convention and also at a U.F.A. convention in Medicine Hat.

Mr. Deputy Speaker: May I also indicate to the hon. member that Mr. Speaker has consistently ruled that emanations from outside the house reflecting on legislation which we are discussing within the house are not permissible. I would also draw the hon. member's attention to that principle.

Mr. Wylie: In other words, it would appear that we are not allowed to discuss what happened at any convention or any other function outside the house. I will therefore put this in my own words. The mayor of Medicine Hat, who has run against me in the last two federal elections, apparently is not to run again—

Mr. Deputy Speaker: That is exactly the type of discussion which I have tried to indicate to the hon. member is not relevant at this time. We have had an admittedly long debate and I think at this time hon. members should co-operate with the chair in adhering strictly to the principle of the bill itself.

Mr. Wylie: Mr. Speaker, I shall be very happy to do that. I shall co-operate with you in every way I can. Getting back to Bill 82, as you suggested I do, may I say that the farmers in my constituency do not like this bill in spite of what the Minister of Trade and Commerce says. The farmers of my constituency believe we should have cash advances and not loans provided by the bank. Yes, I can tell you why we do not like this bill. We in the south are in an area that perhaps suffers more poor crops than any other part of Canada. Today those farmers have their bins and granaries full but cannot dispose of their wheat.

An hon. Member: In Medicine Hat city?

Grain

Mr. Wylie: We do not farm in Medicine Hat as it is a city. It is too bad the hon. member does not wake up. We farm out in the country, not in the city of Medicine Hat. Our farmers today have their granaries full with wheat piled out on the ground as well. Mind you, we do not mind having that because we do not know what next year will bring, but we are short of cash. In the last few years the income of the farmer has dropped perhaps 50 per cent while everything he buys has gone up. This has created a price squeeze situation.

What the Minister of Trade and Commerce (Mr. Howe) should do, in spite of his statement to the Liberal convention in Medicine Hat, is to withdraw this bill and bring in one under which the farmers would receive cash advances on wheat stored on the farm. I have a record here of many of the things that were said by those who attended the Liberal convention but I realize I would not be allowed to put them on the record at this time. However, may I assure you that when the first item of the estimates of the Minister of Agriculture (Mr. Gardiner) comes up I am going to do it. I will then be able to show just what the Liberals in Medicine Hat think about Bill No. 82 and many other policies which this government is trying to carry out.

I could tell you in my own words but perhaps I would be called to order if I did, so I shall not do it at this time. But I do want to say that Bill No. 82 is not what the farmers of western Canada want. The right hon. Minister of Trade and Commerce must have had his tongue in his cheek when he sent that telegram to the convention. I just want to say that the farmers in my area are certainly not satisfied with what this government is doing in connection with the sale of wheat. I am sure that when I am allowed to read some of the statements I have here I will be able to show that they have just cause for the way they feel.

I oppose this bill because it does not bring to the farmer what the farmer wants. Short-term credit means that a farmer can go to the bank and borrow $1,500 provided he has not obtained any other loans, and even then he must pay 5 per cent. The farmers do not like that and I do not blame them a bit.

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to deal briefly with the basic reason why this government finds itself in such an unholy mess today with regard to wheat sales. The simple reason is that the government's selling efforts have been inadequate and utterly pathetic. To show what this government has done in the way of making export shipments of wheat as compared with what has been done by other countries, I intend to quote some dominion bureau of statistics figures. The following are the export shipments of wheat and wheat flour in terms of wheat expressed in millions of bushels by the five leading exporting countries during the 1953-54 crop year:

Canada	255·1
Australia	63·4
France	34·0
Argentina	110·3
United States	211·4

The following are the export shipments in millions of bushels for the crop year immediately past:

Canada	251·8
Australia	94·2
France	83·8
Argentina	134·5
United States	276·5

Those figures show that Canada shipped 3·3 million bushels less for a decrease of 1·3 per cent. Australia increased her shipments by 30·8 million bushels for an increase of 48·6 per cent. France increased her shipments by 50 million bushels for an increase of 250 per cent. Argentina increased her shipments by 24·2 million bushels for an increase of 21·9 per cent, and the United States increased its shipments by 65·1 million bushels for an increase of 30·8 per cent.

What that adds up to is that the four other major exporters of wheat shipped 170 million bushels more during the last crop year than during the crop year immediately preceding, for an increase of 40 per cent, while in the case of Canada, the shipments decreased 3·3 million bushels or 1·3 per cent. That performance has been carried into the first quarter of the present crop year when Canada shipped 14·2 million bushels less than in the same quarter of the preceding crop year, for a decrease of 19 per cent. In other words, all the other wheat exporting countries were able to ship 40 per cent more wheat than in the preceding year, while we shipped 1·3 per cent less.

I think that that is a disgraceful performance. The minister will quite likely say that the United States increased their shipments to a certain extent by adopting a giveaway program, and we will grant that. He will say that Argentina entered into barter agreements, and we will grant that. However, according to his own department, France and Australia, trading on the same basis as Canada, were able to ship 80 million bushels more during the past crop year than in the preceding crop year, while we shipped 3·3 million bushels less. In other words, France and Australia, trading on the same

basis as we do, seem to have salesmen who can go out and make sales. Canada just does not have that kind of salesmen.

What has happened is that during the war years and the later 1940's, while we were in a seller's market, this government became so used to sitting back and arrogantly expecting buyers to come to us that it has lost whatever sales technique it ever might have had. It certainly has none today, because other countries are making increased sales while we are making less sales. That is nothing less than a disgraceful performance.

What is required in any business to get additional sales, particularly when your competitors are getting additional sales, is that you first go and see your potential customers. You do not treat them with the arrogance with which this government has treated potential customers in the past. You get to know them and obtain their confidence. You sit down and talk to them. You say, "We have something to sell, and you need to buy our commodity. What kind of a deal can we engage in that will be mutually satisfactory?" By working back and forth, getting their confidence, getting to know them and being willing to sit down and work out a mutually satisfactory arrangement, finally a deal is consummated.

However, in the spring of 1953, while the hon. member for Prince Albert (Mr. Diefenbaker) and other hon. members urged the Minister of Trade and Commerce to go to England, when it was evident that Great Britain was not going to enter the international wheat agreement, and try to work out a mutually satisfactory arrangement with Great Britain, the minister said he was not interested in going, and he did not go. That simply exemplifies the attitude this government has taken towards the need for going out and selling a commodity which we must sell—because we have not sold it. We have tremendous stocks building up every day, and the farmers are asked to take the rap. They are asked to do what the members of the cabinet, I am sure, would refuse to do. It is the equivalent of the Minister of Finance making a muddle of his financial arrangements to such an extent that it is not possible to honour the pay cheques that members of the cabinet and members of parliament receive at the end of each month, and to their being required to go to the bank to borrow their salaries and pay five per cent on them. That is what this government is demanding that the farmers of this country do—something they know perfectly well they themselves would not be willing to do with regard to their own salaries. Payment for wheat is the salary that the wheat grower of this country receives.

The performance of this government with regard to selling wheat has resulted in a situation in which every other major competitor is showing an average increase of 40 per cent more shipments last crop year than this crop year, while we are showing less shipments. If that kind of performance were shown to any sales manager, it would result in the salesman being fired on the spot. It is about time the people of Canada, who are being so adversely affected by this mess that this government has got us into, should do the same thing and fire the salesman on whom we are relying to dispose of our wheat. I feel sure that the farmers of this country will look after that very important piece of business at the next election.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, it is rather fortunate that this afternoon we had a speaker on the government side of the house—the hon. member for Outremont-St. Jean (Mr. Bourque)—giving us some figures about agricultural income. I would point out to him in all fairness that he would appreciate the position of the agricultural producers in western Canada a little better if he were to study some of the figures with regard to costs of operation and the decline in net income in his province as compared with those of the prairie producers. In his province, from 1952 to 1954, the farmers—most of them, I believe, are engaged in dairy production—had a reduction in their net income of about three per cent and they can still carry on. I can imagine what the situation would be like if the producers in his province suffered by a decline in net income of 77 per cent.

He suggested that, if these prairie producers were able to get this $1,500 in the west, most of them would be investing it in bonds and stocks and that kind of thing to take advantage of the government's offer of interest-free money, that it would be a bad thing for the rest of Canada and we could not expect them to support it. There could not be better proof of the lack of understanding of the situation or of the conditions under which those people are trying to exist and in which they have found themselves as a result of government policy.

The member who immediately preceded me, the hon. member for Broadview, made a very telling point. He showed rather conclusively that, because of the failure of this government to sell its wheat in the world's markets, other large wheat exporting countries were increasing their sales while Canada's sales were decreasing. It is the failure of the government to sell the grain that has caused the terminal elevators to be blocked up, the inland elevators to be filled,

the elevators at the delivery points to be filled and the farmers' bins now to be filled. In many cases, hundreds of thousands of bushels are lying out on the prairies without any covering at all for them. If this government accepts the principle of orderly marketing, it is up to it to purchase this grain.

I wish my hon. friend from Outremont-St. Jean and a good many other members on that side of the house would just try to appreciate that situation. Then perhaps they would not so blindly follow the government votes in this house.

This Bill 82 is supposed to provide short-term credit for grain producers on the prairie provinces. The fact that it does not do so points up the bill—this is the best word I can use to describe it—as "phony". It does not do the job. To say the situation is a temporary financial difficulty the people are in, arising from an inability to deliver all their grain, carries with it the suggestion that most of the farmers are fairly well off and have delivered most of their grain. It is utterly impossible, I suppose, to get members here to understand the situation unless they will undertake to study it a little.

It is because this bill is wrong in principle, beause it does not do what the government has said it is going to do in the preamble or in the definition of the bill, that we are opposing it. If it provided cash to the farmer as a right, then perhaps there would be some reason for some of us to support it. The farmers' inability to deliver is directly the responsibility of this government. It is the failure of this administration to sell that grain, even to provide the box cars for the delivery of the grain at the points of delivery to fill the available space in the terminal elevators, that causes the people of the west to oppose it.

There are two great failures here, and they rest directly on the administration. If the government has failed in its responsibility and as a result has placed the producer in the position where he has not the money to pay his costs of operation for the past year and to pay his taxes and other operating expenses, then surely it is the government that should take the responsibility and should pay for that responsibility. It is misleading to say that this does take care of the situation. As a matter of fact, when the facts of the situation are known, it will be a disgrace to Canada if such a bill is placed on the statutes. I think we are doing the government a favour by suggesting to them that this is a disgraceful piece of legislation which purports to do something but which does not do it at all. Such a thing can only be described as being misleading. We have moved the six months' hoist to this bill. We in this group are supporting that six months' hoist because behind the bill is a definite and real injustice.

Orderly marketing in principle implies responsibility on the part of those who are to purchase the grain. Under act of parliament—and rightly so—the wheat board is the sole agency for the purchase of this grain or at any rate by far the greater bulk of it. Orderly marketing also implies that it is the responsibility of the government to sell that grain. It is the responsibility of the transport controller and the boards under the government's direction to see that transportation facilities are available so that the farmer can deliver that grain to his local elevator and so that the grain can be shipped to terminals. The government has failed in those responsibilities and now, under this legislation, wishes to place a penalty on the producers, namely the penalty of extra debt and the penalty of extra interest. When the action of any one person causes harm to some other person the person who is guilty of causing the harm would, in a court of law and in the name of justice, be obliged to pay for that action. The damages of the plaintiff who complains against those who have caused him harm or loss would, in a court of justice, be assessed against the person causing that harm. In this case we have the government being responsible for the loss or harm suffered by the producer and the producer being penalized for the failure of the government to act. That is the basis upon which we refuse to accept this bill and upon which we condemn it as being unworthy of the government of Canada.

If we were to endorse this bill in any way we would be endorsing a principle which, if allowed to continue in the present maladministration, would place a continually increasing burden of debt and interest on the back of agriculture which could have only one ultimate result, namely to break it. The farmer is facing bankruptcy rapidly enough with constantly increasing costs of production and a decline in income. To put a further burden on him is further to condemn agriculture to poverty for years to come.

On numerous occasions over the past years we have suggested to this government that, with the situation developing as it was, it was their responsibility to provide storage in Canada for this grain which they must buy from the farmer. They have undertaken to buy it and they have undertaken to sell it. They must accept their responsibility to sell it. If they had built these inland elevators and provided for a food bank within Canada, it would have been for the good of all. Without that elevator space available, we are caught in the mess in which we find our producers today. If the government had carried out the

recommendations presented to them by this group on numerous occasions, they would have done a good deal to help and would have prevented the present situation entirely. They have failed to carry out those recommendations and they must accept the responsibility. If the government policy with regard to exchange, barter deals and their attitude towards other governments is responsible for the failure to sell grain, then the responsibility rests squarely on their shoulders.

Instead of tackling the problem, what do we find? They say, "Oh, if the farmer is in temporary difficulties, we will make arrangements whereby he can go to the bank and the bank will lend him money. We will guarantee that the banks do not lose anything"—at least we are guaranteeing up to 85 per cent, I believe, under the bill—"and you pay the interest on it. That is just a little extra burden." How far is this going to go? Where is the end of such a policy? Can we accept that principle? Surely we cannot do so. The bill being unjust and being without a proper basis in principle, we would be derelict in our duty, if we were to support it. We could not possibly do so.

It has been suggested that recognition of the justice of the case of the producer in the west, is limited to only a few people here and there. It is encouraging to find throughout Canada growing support for the justice of the case of the western producer in the predicament in which he finds himself today. Just a few days ago the leaders of the two great labour unions of Canada, representing organized labour in this country to the extent of almost one million people, issued a statement supporting the demands of the western farmer for cash advances on his farm-stored grain as a matter of right; and, even more significant, they are supporting the demands of organized agriculture throughout the whole of Canada for the establishment of a parity price, the only way in which the farmer can be assured of any security. With the costs of operation continuing to rise, he should be guaranteed a floor price which will bear a proper relationship to his costs of production. Without that parity price, he faces bankruptcy. Organized labour in Canada recognize that fact and have issued a statement supporting the demands of the farmer for that right.

The action of this government is completely ineffectual. This bill will not do the job; it cannot do the job. Why should it be presented to this house? Not only is it misleading and ineffectual but it is a travesty on justice. It is a burlesque imitation of what should be done, and it is completely misleading. Because it is useless and ineffectual, wrong in principle, dangerous to the future of agriculture and misleading, we are going to support the motion that the six months' hoist be given to this bill. That is our way of saying that it should not be passed by this house, that it should be thrown out and that something should be introduced which would restore the confidence of the people who are doing the job of producing the economic weapons in the struggle for men's minds today, the people who are producing and doing the job of producing the food that the world so desperately needs. The movement of people away from agriculture in this country can only mean that the army of people who provide probably the very basis upon which the good part of this country is built—the rural homes, the farm homes, the place from which our nation draws its strength—lack confidence.

One hon. member this afternoon compared what is happening in Canada to what has happened to agriculture in that great giant of a country to the south of us. Within the past few years the government of that country has supported agriculture with a parity price program. It recognizes that agriculture as of right deserves to be supported in an economy where the costs of operation, without price support, will mean the ruination of agriculture. They have spent some $799 million in support programs for agriculture. In spite of this fact, agriculture in that country still continues to decline. Here in Canada we have no such support. This government refuses to recognize the right of agriculture to any support prices when it is responsible for the increasing costs of living. With the costs of production continuing to rise, there must be some support for agriculture. The bill purports to deal with a matter of immediate importance, what amounts to a desperate situation, the shortage of cash in the prairie economy. It does not do the job and that is why we have moved an amendment to give the bill the six months' hoist. Basically it is only a part of the greater problem facing agriculture which we can discuss at another time. In refusing to recognize cash advances on grain properly stored on the farm, the government condemns the farmers of the country to a critical economic condition, but it also does more than that. Underlying the attitude of the government is a denial of the principle of orderly marketing, and only by the application of that principle is there any hope for the people of the prairie region and those of the rest of Canada engaged in the agricultural industry. I am pleased to support the amendment for the six months' hoist. I hope

that every hon. member, having studied the situation and knowing what he is voting for and what he is voting against, will do likewise.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I rise at this time—

An hon. Member: Once again.

An hon. Member: Is this the last time?

Mr. Argue: —to oppose once again the bill before the house. As the days go by, I believe it is becoming more and more clear why the members of the C.C.F. group have been right all along in deciding to oppose this measure. As the days go by support for opposition to the measure is growing. The only people who are saying anything in favour of the proposal are members on the government side of the house. In their desperation various members of the Liberal party are making statements that are bound to lead to growing disunity in the country, because that is what they are talking about.

Mr. Dickey: You started talking about disunity.

Mr. Argue: Just a few minutes ago an hon. member said that the farmers of eastern Canada were opposed to this kind of thing. I do not believe the farmers of eastern Canada are opposed to cash advances in any way. As a matter of fact, just the other day one of the organizations representing the farmers of Ontario came into this building, met the various groups and advocated the very thing that we have been advocating, namely, cash advances. The Ontario farmers' union joined hands with the farmers' unions of the three prairie provinces in supporting cash advances and opposing bank loans.

This afternoon the hon. member for Outremont-St. Jean (Mr. Bourque) said that the opposition members were pitting the farmers against the rest of Canada. When I said that members on the government side of the house were prepared to make statements that could in no way serve the cause of national unity, that was one of the statements I had in mind. I say that the people of Canada are not supporting the government in the action it has taken at this time. We in this group are not attempting to pit the farmers against the rest of Canada because we believe the majority of Canadians are fair and believe that agriculture from one end of this nation to the other is entitled to fair economic treatment and that the farmers are in fact entitled to an economic standard of living comparable with the rest of the nation.

What has the government said when we in this group have advocated measures such as support prices in the interests of our farmers? They have said: You might be able to do something in this case but the consumer is against it and labour is against it. In other words, they say that the country is divided and that when the farmers want a certain policy the consumers are opposed to that policy. I do not believe that for a moment. I believe I can show that the nation as a whole is quite prepared to support the farmers in their demands for equity, justice, and for prices which will give them a reasonable standard of living.

We have seen the government attempt to divide farmers and labour. Because they have been able to do that with some success in the past, perhaps it has served their own ends. The Canadian Congress of Labour had a convention last fall and they came out in favour of 75 per cent cash advances on farm-stored grain. The labour unions are certainly far ahead of the government in advocating such a policy. Just a few days ago the farm-labour economic council issued a statement which was reported by the Canadian Press and is found in the Ottawa *Journal* of February 20. In it they had this to say:

> Prairie farm unions, driving hard for cash advances on farm-held grain, now have powerful allies—spokesmen for some one million organized workers. The heads of the two national labour bodies, the Trades and Labour Congress and the Canadian Congress of Labour, Saturday agreed with farm unions that the need of such payments should be recognized.
>
> T.L.C. chief Claude Jodoin and C.C.L. head A. R. Mosher, whose organizations are soon to amalgamate, agreed also that farmers should get "equitable" or parity prices on all farm products.

I say that statement is the best answer that could be given to the suggestion of the hon. member for Outremont-St. Jean that we are attempting to pit the farmers against the rest of Canada. As a matter of fact, more and more it is becoming clear that the government's stand is in fact against the rest of Canada and that is the only division there is in the country on this question.

I have heard it said very frequently that farmers in eastern Canada, farmers in the maritimes and farmers in British Columbia do not support the policies that are advocated from time to time by the Canadian Federation of Agriculture and other organizations speaking on behalf of the prairie farmers. I do not think that is true. Not only do I think that the farmers of the east and British Columbia are prepared to support reasonable demands advanced by prairie producers but I also believe that the prairie producers, as fair-minded Canadians, are prepared to support reasonable demands advanced by producers in all parts of Canada.

The hon. member for Westmorland (Mr. Murphy), who is in his seat at the present time, made some very amazing statements in his contribution to this debate. Referring to the opposition he said, as found at page 971 of *Hansard* of February 8:

> Why do they not come up with the same suggestion on wheat? Why do they not suggest that the government buy the wheat and give it to the Canadian public at such a low rate that bread will be a penny a loaf?

That is an open and public confession by the hon. member that he knows nothing about the grain business, that he knows nothing about the cost of the wheat that goes into a loaf of bread and knows very little about economics or he would not make the suggestion that bread, even if wheat were free, would come down to a penny a loaf. It might come down two, three, or three and a fraction cents a loaf but that is all because most of the cost of a loaf of bread is for something other than the flour content of the loaf.

Then the hon. member went on to criticize the western wheat producers in very strong language. He said:

> It seems to me that the western wheat producer in this case is the man who holds the big stick . . .

He says that the wheat producer in the west is the man who holds the big stick. He does not hold a stick at all. He holds a lot of grain that he cannot sell. He is out of money and the only place where he can sell his grain is the Canadian wheat board. He believes the government that has taken responsibility for the functioning of the Canadian wheat board should also take the responsibility for providing money to the producer when he is unable to deliver his grain. If there is a big stick at all it is being held and wielded by the right hon. Minister of Trade and Commerce (Mr. Howe). Because of the power he possesses in the government he has said to the western wheat producers, in spite of an almost unanimous request for cash advances, I will have nothing to do with it and I will oppose it. It is not the farmer in the west that is wielding the big stick; it is the Minister of Trade and Commerce.

I do not think the statements I have referred to do the hon. member for Westmorland any credit. Since he is a member of the legal profession and has had a good deal of training one would expect that he would not make such statements as these.

Mr. Murphy (Westmorland): I am a Canadian, also.

Mr. Argue: Well, I believe that is a correct statement. The hon. member needs to make quite a number of correct statements to live down the comments to which I have referred. Even though the hon. member for Westmorland may take exception to what I am now saying, his statements were, in my opinion, not quite so bad as those made by the hon. member for Wellington South (Mr. Hosking). In the statements he made he showed that he had no understanding not only of the grain business but of the livestock business of this country. As recorded on page 1298 of *Hansard,* he was quite prepared to interrupt the hon. member for Humboldt-Melfort (Mr. Bryson) when that hon. member was making the statement that unless the government took action the prairie farmer would be forced to produce more livestock. The hon. member for Wellington South said:

> Your farmer will certainly do some work for a change.

That shows the abysmal ignorance of the hon. member for Wellington South. He had already made other statements along the same line before he made that statement. At page 1297 of *Hansard* he had this to say. He had been questioning the hon. member for Humboldt-Melfort regarding the production of livestock and he asked this question.

> Why have they not done so before?

He was referring to the western producers. The hon. member for Humboldt-Melfort replied:

> We were getting rid of some grain before.

To that the hon. member for Wellington South made this statement:

> Because they were making so much money from their wheat they did not have to raise livestock, like the eastern farmers, to make a living.

I looked up the record in the dominion bureau of statistics agricultural statistics, and I found something that amazed me. I will admit that. I found on the farms in western Canada, as of the 1951 census, almost exactly the same number of cattle and calves as are on farms in eastern Canada, namely, in Ontario and Quebec. As a matter of fact, in that year on each farm in Ontario and Quebec there were 12·5 head of cattle. In the same year on the prairies there were 12·1 head on each farm. The statement of the hon. member for Wellington South is therefore inaccurate.

Mr. Deputy Speaker: Order. If the hon. member will read a little farther on page 1297 he will find I indicated that questions along that line should not be answered, and I am still of the same opinion that these discussions of livestock are not quite in order on this bill.

Mr. Argue: Mr. Speaker, I am quite prepared to abide by your ruling.

Mr. Robichaud: Find something new.

Grain

Mr. Argue: What other hon. members of this group have been endeavouring to say is that just so long as the government fails to take action to solve the problem of the farmer obtaining money for his grain there will stand an ever-present threat to the livestock industry across this nation of the western producer deciding that he has vastly to increase the number of livestock on his farm. Because we believe that such a thing can only further increase the misery of agriculture in this nation we have been pointing out the need for the government to take action to place money in the hands of the wheat producers. We can talk as we like on this subject; we can talk about cash advances that are so important, but the main thing finally will be to get the grain moved, to get the grain sold and to get money for the sale of the grain in the pockets of the producers.

We have been pointing out the fact that sales of grain in recent years have been going down. We have pointed out the fact that increased crops, because of new methods, are likely to add to the surplus rather than detract from it, unless the government should vastly increase the sales of grain; but we were surprised to learn, as I am sure the nation was, that according to the Minister of Trade and Commerce the trouble is not the matter of sales; the trouble is not the matter of giving cash advances or loans. The minister had this to say in the debate at page 603 of *Hansard:*

> Our big problem now is not selling, but transportation. If deliveries of wheat by producers this crop year do happen to fall behind last year, it will be because rail transportation is not adequate to move grain forward quickly enough and thus clear space in country elevators.

We have heard alibis of all kinds, but this is the main alibi, this is the last alibi, that there is a transportation bottleneck; that there is a shortage of box cars; that sales are marvellous; they have been going up; but if the transport controller did his job—that is in fact what the minister was saying—and provided more box cars, then the whole marketing problem would not be nearly so difficult. The transport controller, who is supposed to be an authority on the control and movement of box cars, replied to this statement about three weeks ago, according to a Canadian Press dispatch of February 17. He had this to say:

> Transport controller Roy W. Milner, whose powers parliament will be asked to renew for two years, said Thursday there is no shortage of box cars holding up prairie grain shipments.
>
> The Canadian wheat board has made an estimate of how much grain it will want moved by April 15 and "we will have that grain moved before that date."

I have heard the Minister of Trade and Commerce criticized in this house for the statements he has made from time to time. I have seen many hon. members rise in their places and attempt to argue against the Minister of Trade and Commerce and refute his statements, but this is the first time in my memory that a senior civil servant has gone to the press and said in fact, in so many words, the minister does not know what he is talking about. The Minister of Trade and Commerce says there is a big shortage of box cars; that is the bottleneck; that is the trouble in moving grain. The transport controller says there is no shortage of box cars holding up prairie grain shipments.

Mr. Trainor: Give him credit for that.

Mr. Argue: I am not too sure which one is right, therefore I do not know where to place the credit.

Mr. Howe (Port Arthur): In other words, you do not know.

Mr. Argue: I asked the Minister of Trade and Commerce what had happened to the 58 million bushels effective capacity which was not used, as reported in an answer in this house on January 20. He said he did not know. He did not know whether it was more or less. We need a lot more information. I would like to see the agriculture committee of this house called at an early date. I would like to see the minister present his case to that committee for saying that the great difficulty is the shortage of box cars, and then it would be very interesting to have the transport controller tell us why he makes the statement that there is no shortage of box cars. In the last session and the present one we have seen increasing evidence that the government has lost touch and that the cabinet is no longer able to effectively carry out its duties. This is more evidence of the fact that the government is not effectively carrying out its obligations to the people of this nation.

I would like to see the Minister of Trade and Commerce make a statement in the house and tell us what the facts really are and tell us who is right. Is the minister right or is the transport controller right? Whatever the answer may be this situation should be solved so that the greatest effective capacity possible will be used and grain will be kept in position without having to pay demurrage on ocean vessels waiting in port and so on so that we may take advantage of every possible sale.

Someone made a statement in this chamber the other day to the effect that farmers have already marketed their normal crop. This statement was made by someone who

had been listening to the Minister of Trade and Commerce but who had failed to get the gist of his remarks. Farmers' marketings on the prairies so far this crop year are very low. There has been a calamitous drop in farm marketings. Day after day hon. members from western Canada are receiving letters and resolutions following meetings that are called asking for increased quotas, for more box cars and for the opportunity to go out in thirty or forty below zero weather to open a road by removing the snow so that they can get a few bushels to market.

The statistics I hold in my hand show that this situation is in fact prevalent on the prairies. I have here a list of farmers' marketings from the period August 1 to February 1 for a number of years. The high year in recent years is the period 1952-53 when farmers from August 1 to February 1 marketed 286 million bushels of wheat. The next year marketings in the same period were 241 million bushels of wheat and in that period 1954-55 marketings of wheat had dropped to 135 million bushels. For the current period marketings are down to 111 million bushels. In other words, from this period in 1952-53 when farmers marketed at country elevators on the prairies 286 million bushels of wheat, there has been a drop to 111 million bushels.

It is because of the lack of marketing and because of the fact that marketings have been so drastically curtailed that meetings in western Canada are still being held asking the government to provide a system of cash advances.

The Minister of Trade and Commerce keeps telling us that sales are better but when we ask him in the house what the sales are he says, "I will not tell you, it is not public; but I know they are better, I know sales are up." We have to rely on export figures, but a sale is transferred into an export before too long and the latest figures on exports which have come to my office are for the period August 1, 1955, to February 8, 1956. These figures show exports were 97·4 million bushels, a drop of approximately 18 million bushels from the same period last year.

I hope the Minister of Trade and Commerce is right in saying our sales are up, but if he is, he is going to be right this year whereas he was wrong many, many times last year when he told us in this house that marketings and sales were up and that the 8-bushel quota would be off the farms. In fact, he said that farmers would be able to market all their grain before the new crop was harvested.

There is a great need to make certain that our exports are increased. One cannot help but feel that, unless we are successful in obtaining a new international wheat agreement, these figures I have used today and the optimistic statements the Minister of Trade and Commerce is now making will not prove to be correct and sales may in fact go down.

I was very disappointed to learn that Great Britain would not consider coming into a new international wheat agreement. The fact that Britain has said no to a new international wheat agreement is no excuse for the Canadian government to take the position the minister suggested it was taking on February 16 when he said it would not be prepared to enter a new international wheat agreement unless two-thirds of the wheat entering into the channels of commerce were provided for in that agreement. Even with Britain participating in an agreement, it is doubtful if we would have two-thirds of the wheat that is entering into the commercial channels of the world covered. We have an international wheat agreement at the present time. It is not what we would like it to be, but let no one think that it is not an important agreement or that it does not cover a vast quantity of wheat or that there are not many countries in the world who are signatories to the agreement. The guaranteed quantities under the present international wheat agreement which is still in operation are 395 million bushels, and while we have exported 97·4 bushels in the crop year to February 8 the report of the international wheat council shows that in the period August 1, 1955, to February 10, 1956, Canada sold 52,734,000 bushels under the current international wheat agreement.

In other words, with an agreement restricted as it is without Britain we have exported approximately half of our wheat so far this year under the terms of that international wheat agreement.

I regret the statement of the Minister of Trade and Commerce that Canada, at least on February 16, is apparently not thinking in terms of supporting a new international wheat agreement even though it would cover a much smaller quantity of grain.

The minister this afternoon in answer to a question asked by me stated that I had always said he should take the advice of farm organizations and he said that is what he was doing; he was taking the advice of farm organizations. As a matter of fact, he is doing some of the things which are absolutely opposed to the statements of leaders in the farm movement. When he made the statement that Canada would not consider an agreement unless two-thirds of the wheat that is entering into the commercial channels of the world was covered, Mr. Alf Gleave, the vice president of the Saskatchewan

farmers' union, Mr. Stewart Thiessen, secretary of the Saskatchewan farmers' union, and Mr. Alex Gilliland, the wheat pool manager, questioned the wisdom of the minister's statement.

According to the Winnipeg *Free Press* of February 18 in a news item entitled, "Howe Stand on I.W.A. Criticized", Mr. Gleave had this to say:

> Why send a negotiating team to Geneva, then three days before the meeting opens, lay down a policy which limits their powers of negotiation?

The minister says that he consults with the farm organizations and their leaders and listens to their representations but as a matter of fact, according to Mr. Gleave, the minister has not consulted with them at all and three days before the opening of the international wheat agreement negotiations the minister cuts the ground in large part from under the feet of the people who are to take part in the negotiations.

The Acting Speaker (Mr. Applewhaite): I am going to suggest to the hon. member for Assiniboia (Mr. Argue) that he is opening what could become quite a large debate within a debate; that is, the action which this government should take in the future in connection with the forthcoming wheat agreement. That undoubtedly will be a legitimate subject for debate if it comes before the house, and it can be discussed under the estimates of the department concerned if no agreement comes before the house. I would ask the hon. member to agree with me that we are a little far away from legislation dealing with the present financial condition of the farmer.

Mr. Argue: Mr. Speaker, you are absolutely right; we are some considerable distance away from a discussion of the second reading of this bill and of the amendment for the six months' hoist which is before the house.

When the matter was being considered previous to the debate I expected that the debate would be restricted largely to the question of bank loans or the alternative cash advances. However, when the Minister of Trade and Commerce opened this discussion on January 27 he made a most detailed statement, not only of the government's position as far as bank loans are concerned or even cash advances but as to exports of grain in the last few years. He gave all kinds of statistics and dealt at length with the government's marketing policy.

Any reference I have made to the wheat situation today and to marketing policies, any statistics I have quoted, have been right around the subject with which the Minister of Trade and Commerce dealt most adequately when he opened this discussion on January 27. I was not endeavouring to extend the scope of the debate; I was merely making comments on the general statement which the minister made when we first began this discussion.

The Minister of Agriculture is not at all reluctant to make statements on wheat. I am glad he is not, and I congratulate him upon being ready to do that even though he is wrong and at times he must feel that he is wrong. That does not bother him. He goes out to meetings of all kinds, in eastern Canada and western Canada, and makes statements as to his version of the farmer's position, as to why bank loans are good enough, as to why the government is opposed to cash advances, as to why the minister himself is opposed to cash advances. I believe the minister might have a different idea and the government might have accepted a different policy if they had started from a correct instead of a wrong premise.

I should like to refer to the report of a speech made by the Minister of Agriculture which appeared in the Windsor *Daily Star* of Thursday, February 2. It is headed "Wheat in Bin likened to Farm Bank Account". If I had not known who was making this speech I would not have needed to read any more than that headline to have guessed that it was the Minister of Agriculture, because that is an old theme of his that wheat in the bin is like money in the bank.

I am sure that the Minister of Justice is prepared to say that the farmers of Minnedosa and district do not believe that statement by the Minister of Agriculture? As a matter of fact the Minister of Trade and Commerce does not entirely believe it either, because he is bringing in something which he expects will provide farmers with some money in their bank accounts; but according to the Minister of Agriculture if you have wheat at home it is just as good as money in the bank. He cannot convince anybody of that. The minister was making this speech before a medical society, so he did not have many hecklers I suppose. The report reads:

> Mr. Gardiner told the doctors he has been criticized for earlier statements in that vein, "But I still say agriculture is making a pretty fair showing in Canada."

The fact is that the farmer today is in a worse cost-price position than he was when the Minister of Agriculture took over his present portfolio; the farmer is in a worse price-cost position today than he was 20 years ago. The minister stated that as far as he was concerned the farmer's position today was pretty fair. Then he went on to say:

> After all, the best bank account a farmer can have is a bin of wheat. That's because he can't spend it.

The Minister of Agriculture apparently says, "Don't give the farmer any money; don't give him a bank account, but let him have some wheat and then stop him from selling it. Don't give him any money because after all it is good for him that he cannot spend it". Is it any wonder that the minister is running into trouble? Is it any wonder that we have a return such as the one tabled the other day for the hon. member for Prince Albert, containing many resolutions and petitions with signatures running into the thousands all saying that the Minister of Agriculture is wrong when he says that wheat in the bin is as good as money in the bank? They indicate that the farmers in fact want the government to do something that will transfer wheat in the bin into cash. The minister went on to say:

> On my own farm I once held wheat twelve years in a row and it came out in first-class condition.

I do not think he meant that the wheat had been there for twelve years. He held it for just one year at a time. That is fine.

Mr. Gardiner: No. My hon. friend says that is funny.

Mr. Argue: I said, "That is fine". I am being misquoted now.

Mr. Gardiner: The wheat had remained in the bin for twelve years.

Mr. Argue: The Minister of Agriculture has another source of revenue; therefore he was in the happy position where he could make the statement that wheat in his bin was as good as money in the bank. I suppose if all farmers of western Canada had some side line where they could make—

Mr. Gardiner: Perhaps I had better indicate to my hon. friend that I was feeding the wheat out of the bin for the twelve years and when the wheat came out of the bottom of the bin it was just as good as when it went in. I was selling cattle and hogs in order to get my return.

Mr. Argue: The minister still kept this wheat for twelve years. In fact he was able to pay most of his accounts, I imagine, without having to charge them for an extended period because he had other sources of revenue.

Mr. Gardiner: Every farmer will understand it.

Mr. Argue: It is no wonder that the farmers cannot get cash advances when the Minister of Agriculture is against them. He thinks the farmer does not know how to run his own business, that the best thing for the farmer is to prevent him from selling his grain because it will leave him in a good position. He will have a bin of wheat as good as money in the bank and he cannot spend either the wheat or the money. The minister says that the wonderful policy of the government means that the farmer is in a pretty fair position after all.

As I said before, I admire the Minister of Agriculture in many ways. He has courage. He is quite prepared to face an audience at any time, even one completely hostile to him where there may be many hecklers and where many questions may be asked. The Minister of Agriculture does not mind entering into a debate in this house at any time. Usually you do not have to challenge the Minister of Agriculture, but if you do you are almost certain to get a reply and he will make his reply interesting; he will make it in strong language.

But there is a silent member of the cabinet from the prairies. What I have just now said about the Minister of Agriculture I cannot say to the same degree about the Minister of Justice who represents Manitoba in the cabinet. The Manitoba farmer is short of money, and he would like to know the position of the Minister of Justice. I am sure the members of this house would like to have the Minister of Justice enter this debate and tell us why in his opinion the farmer takes that view.

An hon. Member: Don't go away.

Mr. Garson: I have a telephone call.

Mr. Argue: We can excuse you. However, I think if it were the Minister of Agriculture he would say, "I will make my speech first and answer the phone a little later." The Minister of Justice makes big speeches about wheat and he gets great publicity on the front page of the Winnipeg *Free Press* about the government's position on cash advances. This speech was made by the Minister of Justice on Saturday, February 18, in the "Report from Parliament Hill" series. He made it over radio station CKDM in Dauphin.

Mr. Knowles: Not even on television.

Mr. Argue: The minister knew he would not have any hecklers when he broadcast over that station. I imagine he did the same as the rest of us do on the "Report from Parliament Hill" program, and went to Sparks street and recorded it. He was in the room all by himself and did not have a wheat farmer there. He had no hecklers.

An hon. Member: No shotgun.

Mr. Argue: The Minister of Justice maintains the safety of silence here and makes his comments over a radio station by means of a recorded transcription of a speech that he

makes in Ottawa. Then, of course, he very generously distributes it to the reporter for the Winnipeg *Free Press*, which gives the "Report from Parliament Hill" broadcast by the Minister of Justice a very prominent display on its front page. I say to the Minister of Justice that he owes it to this house to stand up here and give us his views and the views of the people of Manitoba, and not to continue his silence as far as parliament is concerned, using merely the safety of radio station CKDM in Dauphin.

The government gives the farmer bank loans requiring interest. The farmer wants money so he can pay off his mortgage, but the government gives him another one. Instead of getting rid of his debts when he gets a crop, he gets more debt. The government has no policy that will solve the wheat problem at home. It has no policy for solving the problem of getting rid of the wheat in the export markets. Europe, according to all reports, is now experiencing the worst winter in 100 years. President Eisenhower says that with the devastation in Europe, with the great damage to the crops there and with the suffering among the people, the government of the United States is prepared to make some of its surplus food available to help the people in need in Europe. We ask this government what it intends to do. Silence again. No comment. No policy. I suggest that the government—

The Acting Speaker (Mr. Applewhaite): Order. I am sorry to interrupt, but I have to advise the hon. gentleman that his time has expired.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have listened a great deal and spoken but seldom in this debate. I have listened to my hon. friend from Assiniboia challenge me to refute his figures. I am not going to do that. He gives so many figures, and so many of his colleagues give so many different figures, that time would not permit. I am simply going to challenge his right to speak for the province of Saskatchewan.

This program in the bill before us was undertaken by the government at the request of the farm leaders of Saskatchewan. They were present when the request was made. They were very explicit as to what they expected from the government. The only item that has not been exactly as requested is the rate of interest. The government does not determine the rate of interest; that is determined by the banks which make the loans.

That is why the government entered into this program. It is a program that the government believed could be administered to the satisfaction of taxpayers in every part of Canada. It is a program that we believed would relieve the shortage of cash resulting from the fact that the country elevators being filled with grain had delayed marketing operations in the early months. It is a program that has certainly helped 8,000 farmers, and I think the figure is considerably higher than that at the moment. I have had letters from many of them, and they all express satisfaction with the help that has been given.

However, I am not relying on that evidence. I have further evidence. I have before me a report headed "Province of Saskatchewan, Royal Commission on Agriculture and Rural Life." This is report No. 8, "Agricultural Markets and Prices." I might say that this commission was established by the government of Saskatchewan. The members of the commission were Professor W. B. Baker, chairman; Mrs. Nancy Adams of Ethelton; Mr. H. L. Fowler of Saskatoon; Mr. T. H. Bourassa of LaFleche; Mr. Charles W. Gibbings of Rosetown; and Mr. J. L. Phelps of Wilkie. It seems to me that is the same Mr. J. L. Phelps whom the hon. member for Assiniboia has been quoting to me for a number of years. This report pays special attention to the subject matter of this bill, and I shall read from page 103:

> The payment of advances on farm-stored grain would, in effect, be a prepayment of all or a portion of the initial price by the wheat board. Such a program would resemble, in a number of aspects, the commodity loan program of the United States. One undesirable feature would be the questionable wisdom of making advances freely available to all producers whether or not they are in need of financial assistance. The principal objection, however, lies in the field of administration. Provision would have to be made for inspection to determine adequacy of storage facilities, to verify quantity, and to determine grade. The additional costs involved would appear to make the proposal of doubtful value as a long-term program.
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> Perhaps a more workable proposal is to re-establish the Prairie Producers Interim Financing Act of 1951 on a permanent basis. This act provided government guarantees of bank loans made to producers between January and September, 1952. Banks were guaranteed against loss up to 25 per cent of the aggregate principal amount of loans made under the act. The total which could be guaranteed was set as $20 million. Individual loans to producers were not to exceed $1,000, could not bear an interest rate of more than 5½ per cent, and were to be secured by the crops and grain on the farm, with the added requirement that the borrower be the actual producers. Only $625,000 was loaned under the act, but it should be noted that the use of such loans would probably be much greater if the act were in force now.
>
> A continuous program of marketing under the board system will mean that any crop not delivered in one year will be delivered in the next year. While payment for one crop will be delayed, it is also probable that part of the resulting lower income for that year will be compensated for by delayed deliveries and payments from the previous year; therefore, the existing need could probably

be met through re-enacting the Prairie Producers Interim Financing Act as permanent legislation.

That seems to be a little endorsement for the bill we have before us.

Mr. Ellis: That is one side of the coin.

Mr. Howe (Port Arthur): I suggest to you that was a commission established by the Saskatchewan government to advise the Saskatchewan government on how to handle this situation, and the statement I have just read is the statement of the commissioners established for that purpose as to what they believed to be the solution to the problem at this time.

That report is dated 1956—in other words it is hot off the griddle—and it is published in the light of all the information and misinformation that the hon. member for Assiniboia has been able to put on the record during this session of parliament. I ask hon. members whether those who have been speaking from the C.C.F. group are the proper interpreters of the feeling of Saskatchewan. Perhaps they interpret their own opinions, but can they speak for the farm population of Saskatchewan with the same conviction as a commission appointed to determine the viewpoint of the province, to analyse what is best for the people and to present a report to the provincial government?

I think that extract is a fair measure of the filibuster we have had here, and a fair measure of the validity of this motion to give this bill the six months' hoist. The bill was recommended by the farm leaders of the province. It is endorsed by a commission of the provincial government, but it is opposed by this little group who represent perhaps some opinion but, if my own opinion is correct, it is a small portion of the public opinion in the province of Saskatchewan.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I am not participating in this debate for any particular purpose other than that of clarification. We who have listened for so many days, both on the government side and in the opposition, are placed in much the same position. We wonder who is right and who is telling the complete truth. From what the minister has just said I am satisfied that he has a particular statement from a commission which was set up by the Saskatchewan government, as he indicated, and that the report is hot off the press. That report would be applicable to the province of Saskatchewan.

The group with which I am associated in British Columbia do not have this particular problem. However, I have a problem in my own mind. To me it does not make sense that we would have so many members in this house willing to commit political hara-kiri by trying to get rid of a bill that the farmers are wanting or not wanting, as the case might be. It raises an element of doubt in my mind as to whether or not the farmers themselves know what they want. I have listened to a great number of charges from the opposition side as to what is wanted. I have heard some answers from the government side.

An hon. Member: Very few.

Mr. Hahn: And I have also heard some ridiculous questions from that source. One of the reasons I rise this afternoon is something the hon. member for Medicine Hat (Mr. Wylie) had to say a short time ago. I used to be a citizen of the city of Medicine Hat. I was there for a good number of years. I know people in and around that area very well. I did not leave there too many years ago, in fact. Most of the men who attended a particular farmers' union of Alberta meeting there are known to me. I taught in that area for a good number of years.

The meeting of the farmers' union of Alberta was apparently called to discuss the grain situation. More particularly, some of the members who were there included Mayor Harry Veiner, the present mayor of the city of Medicine Hat. You will notice that I said "the city of Medicine Hat." I did so in order to endorse what was said earlier by my friend the hon. member for Medicine Hat. Others at the meeting included Harry Strom, who happens to be at this time Social Credit member of the legislature for Cypress; Bryce Stringam, member of the legislature for Bow Valley. He is a C.C.F.-Liberal-Conservative, the one who beat out the Social Crediter and to whom I referred the other day. Also present was Anders Anderson, farmers' union of Alberta director for district No. 13.

Some of the things these individuals had to say proved to be most interesting, particularly when the mayor of the city in effect said that the people should demand a 60 cents per bushel advance on at least 10,000 bushels of wheat. This was a demand. It is not a suggestion that the Minister of Trade and Commerce is wrong in his statement, but here we have this statement being made by this particular showman, Harry Veiner, who is well known across Canada for that matter, particularly for his showmanship and his ability to sell a commodity. He is particularly well known to the Minister of Agriculture. He happens to have been in his area for a good number of years.

It seems to me, Mr. Speaker, that a statement of this type made by a responsible individual such as this man should be given

some consideration, not only because of the fact that he was making it for himself but because he was apparently speaking for a good number of citizens in that community. What is more, he said they should not be expected to pay it back at a rate of interest greater than 4 per cent. That also seems a strange thing when one realizes that in this particular bill the rate of interest that is suggested—not by the government of Canada but by the bankers, and the government follows suit—is 5 per cent. I would hold that to those of us who do not know the full story this gives reason to wonder what the truth of the matter is, as I indicated earlier.

Certainly it is not my intention to vote for a motion to give the six months' hoist to a bill if the farmers want that particular bill. I just want to know what they really want. I am not discounting what the Minister of Agriculture and the Minister of Trade and Commerce have had to say. But I also like to think that the hon. member for Acadia (Mr. Quelch), the hon. member for Lethbridge (Mr. Blackmore), the hon. member for Macleod (Mr. Hansell) are not just raising something for political purposes. I think the lives of people in Canada have been played with politically just a little bit too much, and that it is high time we got the full truth of the matter.

It is a simple matter to get that truth. I would suggest to the Minister of Trade and Commerce that he indicate to this house that if we allow this bill to be given second reading, he is prepared to let us call in individual farmers and farmers' organizations and get their exact viewpoint. Then I think we can vote on this question in a sensible and sane fashion.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, the Minister of Trade and Commerce was shooting a broadside at the C.C.F. for having courageously and most effectively battled, for many days now, on behalf of the people who sent them to parliament. I know it is not good politics on my part, but I think it is good Canadianism to congratulate the members of the C.C.F. who have planned and carried on this battle for having done a good job and for being ready to continue to do that job.

May I say this so the C.C.F. will not have to take all the opprobrium; that if they had not got in and started to move amendments to the motion for second reading, the Social Credit group would have done it. The members of the Social Credit group have been ready to move amendments ever since the motion was made for second reading of the bill, if they could have only got the floor. The reason they were not able to get the floor is that the C.C.F. happens to have a few more members in the house than the Social Crediters, and consequently they have priority in the matter of being recognized. The Conservatives, as the official opposition, are recognized first by Mr. Speaker, as they should be; the spokesman for the C.C.F. is recognized second by Mr. Speaker, which is as it should be, and the Social Crediters have to wait until the others finish their show before they can commence theirs.

But let not the minister think for one minute that the Social Crediters are not solidly behind everything the C.C.F. people have advocated in this debate, with the exception, as I have said, of the resolution preceding the bill concerning which we disagreed with them because at that time we did not know what sort of measure was going to be introduced and we did not know that the government would refuse to let the bill go before the committee on agriculture and colonization, which is the logical place for it to be examined. Apart from that we have been with the C.C.F. in respect of all the arguments that have been put forward.

As far as I am concerned, and I speak for Lethbridge, I will wager that 98 per cent of all the farmers in the constituency of Lethbridge are solidly against the bill and solidly behind advances on grain in storage on the farms. I have not been able to talk to all of them, but I have talked to enough of them to feel quite safe in making that statement.

There are several matters which I think need to be considered at the present time and to which I should like to give some attention. In the first place I should like to congratulate those on the Liberal side who have spoken on the bill. The hon. member for Outremont-St. Jean (Mr. Bourque) gave a little talk today. There were many things in his speech which did the hon. member credit. He said he believed that the farming population should be kept prosperous, and he said a good many other things with which I am entirely in agreement. They do credit to the hon. member and the constituents who sent him here.

The only difficulty in his talk apparently arose from the fact that the hon. member had been slightly misled by men who should have informed him correctly. How could he, coming from Montreal, have anything like an accurate knowledge of conditions obtaining in the three prairie provinces unless he were told by the men in charge, like the Minister of Trade and Commerce? If the Minister of Trade and Commerce was no more clear and straightforward when talking in the Liberal

caucus than he has been on the floor of the house, I do not blame any Liberal for being completely confused with respect to the whole situation in the three prairie provinces.

Two other hon. Liberal members spoke the other day and asked questions. The hon. member for Iles-de-la-Madeleine (Mr. Cannon) made a speech and another hon. member asked several questions. These men made statements which were honest, fact-facing and sincere. They showed that there was a question in their minds which should be clarified. I appreciate all of these statements and questions greatly and I say once more what has already been said many times, that it is my settled conviction after hearing all that has been said that if the people of Canada from coast to coast and the members of this house all knew the facts they would practically unanimously condemn this bill and unanimously demand cash advances on farm-stored grain.

Mr. Dupuis: We will give you the whole of Canada, everything. You will get it.

Mr. Blackmore: I know the hon. member is very enthusiastic—

Mr. Dupuis: Even your funny money.

Mr. Blackmore: —but the knowledge the hon. member has about western wheat is probably not very great. I realize the hon. member's enthusiasm, but I cannot see anything in his background which would necessarily give him the right to talk for prairie farmers.

Some doubt has been raised as to just exactly what the United States is doing for its farmers. Before I go into that matter may I ask every hon. member in the house through you, Mr. Speaker, is there any conceivable reason why the Dominion of Canada cannot do as well for its farmers raising wheat as the United States can do for its farmers raising wheat?

An hon. Member: Yes.

Mr. Blackmore: Is there any conceivable reason why Canada should not be able so to do? If there is any reason that can be brought forward we will be glad to hear about it. I contend there is no reason to treat our Canadian wheat growers like slaves while the United States is treating her wheat growers like kings. It must be admitted that the United States farmers are having difficulties because of a fall in their income. That is largely because of the rise in the cost of production—and we in Canada are suffering in the same way. But as far as what the United States is attempting to do and is actually doing, for her wheat growers is concerned, she makes Canada look like a nation of pikers. There is no question about that.

Mr. Murphy (Westmorland): The member for Acadia (Mr. Quelch) says that eastern farmers are getting away with murder. What about that?

Mr. Blackmore: I think that was probably a slip of the tongue. The hon. member for Acadia will answer for himself. He is quite capable of doing so, as I think the hon. member knows full well. I am giving my speech now and I will welcome honourable, straightforward questions on anything I have to say. I am going to read a quotation here which will give the house the exact picture of what the United States is doing. I wish to read from an editorial in the Lethbridge *Herald* of December 5. It does not comment on what is going on in the house, so there is no danger of my being out of order. The editorial reads in part as follows:

> Writing of the difference between the wheat marketing situation in Canada and in the United States, the agricultural editor of the Minneapolis *Tribune* visited Regina recently and in his paper drew this rather startling contrast:
>
> "Let's compare the difference in prices received by two farmers who raise 5,000 bushels of wheat on 250 acres, one near Bismarck, North Dakota, and the other near Regina, Saskatchewan. The North Dakota farmer could put his entire crop under government loan. If it graded No. 1 northern, he could obtain $2.10 a bushel and receive $10,500 for his 5,000 bushels, farm-stored. He could repay the loan or let the wheat go to the government when the loan matures."

Quite obviously that amounts to a purchase on the part of the government. I continue:

> "The Regina farmer would get $1.22½ a bushel for No. 3 wheat, comparable to U.S. No. 1 northern. And that doesn't figure in the margin for his country elevator. He is allowed to market 300 bushels, for which he receives $367.50. But he still has 4,700 bushels on his farm. If storage opens up, he may be able to sell up to 8 bushels an acre or another 2,000 bushels for $2,230. That would bring his total sales to $2,597.50."

Compare that with the $10,500 which the man just a few miles away across the line receives! I continue:

> "And the Canadian farmer would have 2,700 bushels of wheat on his farm . . . wheat that he doesn't quite know what to do with."

That pretty well settles the matter regardless of all the attempts to laugh it off or draw red herrings across the path, so that—

Mr. Byrne: May I ask a question?

Mr. Blackmore: May I just finish my statement first? That simply shows up the government of Canada just exactly as it is. It has been guilty of an absolute betrayal of the Canadian farmers of the three prairie provinces. Now let the hon. member ask his question.

Mr. Byrne: It would be interesting to know whether the United States government pays the $2.10. Do they make any reduction from that amount for handling charges, freight charges, and so forth, or is that the full amount the farmer receives?

Mr. Blackmore: I would say that if the picture given here by the editorial writer is not accurate in fact, then it would be a most dishonest thing. If there were any serious differences between the cost which the United States farmer would have to incur through freight handling, and what the Canadian farmer would have to pay, I would think that writer would pay attention to it. I would think that matters like freight, storage, handling and all that kind of thing would probably be just about the same on both sides. I am not in a position to speak with great authority respecting all that the United States is doing, but thus far the quotation I have given is absolutely clear and utterly unanswerable. I think everyone will agree with that.

Some hon. Members: No.

Mr. Blackmore: I would now like to refer—

Mr. Howe (Port Arthur): Mr. Speaker, may I ask my hon. friend two questions? Apparently the man from the United States confuses acreage seeded to wheat with cultivated acreage. That is one mistake. The second is that he entirely neglected to mention the participating payment which comes after the wheat is sold.

Mr. Blackmore: Well—

Mr. Byrne: There is the question of freight rates.

Mr. Blackmore: If it is a matter of becoming a master of the whole technique of United States administration, I think I can probably acquire that just about as soon as the minister can, if that is the thing we are going to be debating; but there is not a question in this world but that the wheat farmer in the United States receives money on grain as soon as it is stored on the farm, and a lot of money, but the Canadian farmer receives no money on the grain stored on his farm, and what he does receive is very little, probably not nearly enough to cover the cost of production.

I trust I have dealt with the minister's questions. If he wants to bring on a debate at any time with respect to the way in which the United States handles grain, if he will just give me three or four days' notice then I shall be glad to debate it on his estimates or at any other time.

Since I have referred to the comments of the two hon. members to whom I referred a few moments ago I think I should quote the actual words they used. I refer to the hon. member for Iles-de-la-Madeleine (Mr. Cannon) and the hon. member for Wellington South (Mr. Hosking). At page 1309 of *Hansard* the hon. member for Iles-de-la-Madeleine used these words, which I think did him credit. I do not blame any hon. member for making these comments. He said:

> We on this side think that money should be advanced to the farmers but that they should pay interest on it.

May I interrupt and say that the United States administration apparently does not think so. I continue:

> The people on the other side think that money should be advanced to the farmers without interest.

Well, the people of the United States apparently think so, too. The hon. member went on:

> Who is going to pay the interest? Evidently it is the people of Canada. Is it fair that the people of Canada should be called upon to pay interest for the farmers in the west?

That is a straightforward question. Farther down the page the hon. member used these words:

> Why should the people of Canada pay that interest for the western farmers if they do not pay interest for all the other producers of this country?

And still farther down he used these words:

> Why should a person be paid for something he has produced before that thing has been sold?

The United States gives the answer. I continue:

> Why should he get that money without having to pay interest on it?

Again, apparently, the United States gives the answer. Farther on he used these words:

> Why should they get money on their products, without paying interest, without having sold their products?

As I said, I do not criticize hon. members for saying these things. It is straightforward, honourable, manly and clear thinking, but without the very essential facts which we are now discussing.

When we come to the contribution of the hon. member for Wellington South, we find these words on page 1313 of *Hansard*, which I wish to quote:

> Mr. Hosking: Do you think our eastern farmers should supply the money for the loans?

The hon. member was perfectly justified in asking that question. He simply is not informed on a good many things or he would not have asked the question, and I hope to deal with those questions before we get

through. These two gentlemen by their statements and questions raised the whole matter of how the grain is financed now. With respect to grain marketing in Canada, when the grain is taken from the farmers into the elevators and from the elevators delivered to the wheat board and then sold abroad, how is it financed? So that hon. members will all be able to consider this, I am reading a quotation from the Alberta *Wheat Pool Budget* of February 10, 1956. It is taken from the report of the Canadian wheat board; consequently it can be relied on:

> Financing—The board required to borrow money from the banks throughout the year to finance its heavy stocks of grain. Borrowings ran from a low of $85 million to a high of $100 million. It was also obligated at July 31, 1955 to grain-handling organizations for the stocks which they carried for the board account in country elevators, in the amount of $361 million.

The next sentences are very important:

> Bank interest on loans to the board was 3 per cent compared to 3¼ per cent the previous year. Loan interest to agents of the board (elevator companies and pools) on board grain was 3¾ per cent compared to 4 per cent the year before. Agents make initial payments upon receiving the wheat in the country and receive reimbursements when they turn it over to the board at the terminal.

I am sure that every hon. member in this house will ask himself how can it be, if the wheat board, to its credit, was able to borrow money at 3 per cent, that the farmers of Canada should be required to pay 5 per cent interest on money borrowed on their grain? That is a question that will have to be answered. What I have given indicates that there is no thought in the minds of those who are asking for advances on their grain, or in the minds of hon. members of this house who are advocating advances on grain, that anybody in the Dominion of Canada will pay any taxes to pay interest on anything or pay any taxes to pay the advances. That matter will be taken care of in just the same way in which it has been taken care of in the past.

Let me ask any hon. member who has given thought to the matter of finance, is there any conceivable reason why the wheat board should have to borrow money from the chartered banks when there is a Bank of Canada which is capable of lending money by simply creating it?

Some hon. Members: Oh, oh.

Mr. Blackmore: Remember that all those who are laughing are just disclosing vacant minds. They simply do not know.

Mr. Byrne: Major Douglas is not the governor of the Bank of Canada.

Mr. Blackmore: Major Douglas did not set up the Bank of Canada or draft the Bank of Canada Act. I am talking of pure, orthodox finance. Can the hon. member forget Social Credit long enough to realize that I am talking in terms of the instruments with which this country now finances its affairs?

Mr. Dupuis: Not Social Credit dollars?

Mr. Quelch: How do chartered banks make loans?

Mr. Johnston (Bow River): Answer that question.

Mr. Blackmore: I ask the question once more. Is there any conceivable reason why the wheat board handling the farmers' grain should have to borrow money from the chartered banks and pay 3 per cent when it could just as well borrow that money from the Bank of Canada and pay 1½ per cent?

Mr. Byrne: I cannot borrow from the Bank of Canada—

Mr. Blackmore: Never mind all that nonsensical talk. Face the facts, face reality, and answer in a sound and responsible way. It is just as simple as that. You cannot laugh the thing off any more than wolves can laugh off reality. The fewer silly comments you make the fewer silly remarks there will be in *Hansard* to stand against you.

That is the question all hon. members ought to ask themselves and for which they should demand an answer. In the light of all these facts tell me what justification there is for demanding that the farmers of this country, if they should have to borrow money on their wheat, should have to pay 5 per cent interest when the government could just as easily borrow the money from the Bank of Canada at not more than 1½ per cent interest if it wanted to, and turn it over to the wheat board to finance its operations, just as the wheat board has been financing its operations on money borrowed from the chartered banks. Then when the dominion government had thus borrowed the money the interest would go into the hands of the Bank of Canada and therefore into the hands of the government, and the cost of the interest need not amount to anything at all for either the taxpayers or the farmers.

Just let me put the question now to the two hon. members who have been interrupting me. Let me ask if they now have any grounds for complaint on the score that the eastern farmers or any one else in Canada would be taxed to pay the advances. I will just leave that for hon. members to think through. I have given you exactly what the facts are and what they can only be seen to be from an intelligent reading of the Bank of Canada Act.

Grain

I think probably that deals sufficiently with the matter of finance and with the objections any hon. members have raised on this count of having Canadian taxpayers pay the money with which to pay the interest or with which to make the advances.

There are other matters which I think require a considerable amount of attention. One of the difficulties which a great many people have is that they do not seem to be able to realize how big the prairie farmers' problem is. It is said that there are two types of people, one type which sees the world through a snake's eye and one which sees the world through a bird's eye. Altogether too many hon. members and other people are endeavouring to get a comprehension of the wheat problem as viewed through a snake's eye. Let them rise into the air and soar high into the atmosphere and look at the problem as its exists in reality, as a bird would see it. They will then be literally appalled at the magnitude of the wheat problem in the west.

I should like to devote a little attention to that aspect of this question. In the first place I wonder how many hon. members have taken the trouble to consult statistics and realize how colossally big are the wheat fields of the three prairie provinces. Do they realize, for example, that in the prairies there are 39·7 million acres, and note that I said million acres. That must be bewildering to a person who grew up in Quebec on the little farms on which they do so well there. Let them try to visualize a million acres! It is 39·7 million acres with which we are concerned in dealing with the wheat problem on the prairie provinces; 39·7 million acres, if you please.

Mr. Dupuis: The Quebec farmers do not want to have capital without paying interest on it; that is the difference.

An hon. Member: Don't talk about it too much or you might get an argument.

Mr. Blackmore: Some of these days when I have time to bother with the hon. member I shall do so, but today I do not have time to deal with his comments.

I am going to read a quotation from the Alberta *Wheat Pool Budget,* February 10, 1956, issue, which gives the amount of the prairie wheat acreage. It will be of great value to every hon. member in this house and to every person in the country to read this over and ponder it well. The "prairie wheat acreage dropped during the year by 2 million acres". The report indicates that the "total prairie acreage of all crops dropped from 39·7 to 37·7 million." In giving these figures we are leaving unnoticed the great amount of land which would have been under summerfallow or in grass. This deals only with the portion that was in grain. The following table gives yield comparisons. If the house is willing to have me do so I shall put the figures on *Hansard* without reading them. Have I permission to put them on *Hansard*?

The Acting Speaker (Mr. Applewhaite): Will the hon. member identify the source of these figures?

Mr. Blackmore: They appear in the Alberta *Wheat Pool Budget,* which is absolutely authentic; February 10, 1956 issue.

The Acting Speaker (Mr. Applewhaite): Has the hon. member permission to place these figures on *Hansard* without their being read?

Some hon. Members: Agreed.

Mr. Blackmore: The tables are as follows:

	Average Production 1946 to 1950	Average Production 1951 to 1953	Production 1954
		Bushels	
Wheat	367,000,000	597,000,000	282,000,000
Oats	222,000,000	321,000,000	196,000,000
Barley	135,000,000	255,000,000	167,000,000
Rye	12,000,000	22,000,000	12,000,000
Flaxseed ..	8,000,000	10,000,000	11,000,000
Total	744,000,000	1,205,000,000	668,000,000

Placing the table in *Hansard* will save time in discussing this matter. Let me now just quote the first line of these figures concerning wheat so hon. members can get some idea of the stupendous—

An hon. Member: Colossal.

Mr. Blackmore: —amount of material which is involved in wheat. The average production from 1946 to 1950 was 367 million bushels; from 1951 to 1953 it was 597 million bushels and the 1954 production was 282 million. I wonder if any hon. member would like to conjure up in his mind an image of a pile of wheat that contains a million bushels? In 1954 there would be 282 piles like that! What an enormous amount of material to take care of! It is not a small problem by any means.

This is one reason why we should give the prairie farmers' reserves of wheat most special consideration. Certainly no hon. member of this house can responsibly make any hasty remarks until he has given careful thought to all the elements in the situation, one of which is certainly the tremendous acreage and another the tremendous amount of wheat.

There is another most important matter and that is this. What are the western farmers going to do with that land? Do hon.

members actually wish the prairie farmer to raise weeds on that land instead of wheat?

An hon. Member: They have cattle; they have cows.

Mr. Blackmore: They already feed the cattle, but please grasp the significance of this matter. Everything I am saying, Mr. Speaker, is of tremendous importance in this discussion. The people who come here representing those areas have seen those tremendous piles of wheat and have seen this vast ocean of soil. They know that if the land is not put into wheat it will either be blowing or raising weeds. Is there anyone who wants to see that land blowing or raising weeds?

Mr. Byrne: No.

Mr. Blackmore: Then something must be done with that land every year. What do hon. members desire to suggest that these farmers should do with that land?

Mr. Byrne: Grow wheat.

Some hon. Members: Grow wheat.

Mr. Blackmore: Grow wheat; is that not so?

Some hon. Members: Yes.

Mr. Blackmore: I am sure no hon. member would want to say, "Let the land go back to weeds and turn over a weed patch to the next generation". I am sure of that. Now, what would you prescribe as the course of procedure to be followed by the farmers in the three prairie provinces next year?

Some hon. Members: Oh, oh.

Mr. Blackmore: If hon. members would just rise one at a time and ask me a question I may be able to answer it.

An hon. Member: What are you suggesting?

Mr. Blackmore: I am suggesting that provision be made on the farms of western Canada for the safe and secure storage of that wheat, every bushel of it. I am glad the Minister of Agriculture told us that he had kept wheat on his farm for twelve years. I ask any hon. member, even those who are quite talkative; would you rather see that wheat stored safely on the farm in bins, such as those in which the Minister of Agriculture kept his wheat for twelve years, or would you rather see it lie out on the prairie, or would you rather see it unproduced, in the face of the tremendous shortage of food in the world today? Which would you say was the humanitarian thing to do? Which is the common sense thing to do?

Going on to answer the hon. member's intelligent question, I would say that we should make provision so farmers could provide adequate storage on their own farms in which they could put their wheat. Then let us pay them enough on the wheat in store on their farms to enable them to carry on and raise a crop next year. Then next year if we are unable to sell the wheat, let us store that wheat also. There is going to come a day when we will need it. They have had the most terrible storms in Europe that they have had in 100 years, and who knows that the same thing may not be repeated for four or five years? If we Canadians have plenty of grain of all kinds stored on our farms, think of the favoured position we would be in with respect to extending help to those needy people! Common sense dictates that no other course be followed but to preserve that wheat and pay the farmers enough money to enable them to pay their running expenses, buy their machinery and be able to carry on and raise more and more crops until the time comes when we should know whether we want to go on raising wheat or whether we want to turn that land back to grass, back to the Indians so to speak.

The trouble today is that we are facing an emergency. That is what confronts us right now. These farmers must have money with which to pay their bills, to pay for gasoline and oil and all the other things needed to carry on. This question of what to do with the grain is most important. This is one factor to which we must give attention before determining what we are to do in respect of measures like this, the silly bill we have before us now.

There is another matter to which thought ought to be given, and that is the large percentage of what is now the three prairie provinces was examined around 1860 by Captain John Palliser, who solemnly declared that it was unfit for human habitation. That area starts at a point in my constituency not far from Lethbridge, goes up somewhere near Saskatoon, and then down back to part of southwest Manitoba. If you place a map before you and draw that general triangle called the Palliser triangle you will see the amount of the land which Captain John Palliser said was unfit for human habitation. Why? He realized that that area might receive ample rain one year or perhaps two years, and then there would be three, four or five dry years during which even the grasshoppers could hardly live.

Let us bear in mind what the government of those days did. We are not blaming them, but we must remember that around 1890 men who sat here—not in this particular house—said, "Let us put people out there; let us let them take a chance." They advertised that

land as being far better than it was, and great numbers of people went out. Why did the government want them out there? They wanted them out there so the C.P.R. would have business hauling them out there and hauling their goods.

Some hon. Members: Oh, oh.

Mr. Blackmore: Oh, yes. I can go to *Hansard* and find where hon. members got up and solemnly offered those reasons. I am not so sure that hon. members of this house would not advance the same reasons. The men of those days said that if those people survived we would have more population. Tens of thousands of people settled those areas and they have made good. The amount of wheat which they have grown on the Regina plains and in other areas within the Palliser triangle is absolutely astounding. That grain has all been sold abroad by Canada for good solid cash, foreign exchange.

I am not saying that the farmers who produced that grain made anything out of it. By the time the railroads got through hauling it, by the time the handling charges were paid, by the time their various expenses had been taken care of, many of them did not make very much, and many of them made even less.

The fact that those people are out there in an area which can become almost as dry as a desert for two, three, four or five years, when they might be deprived of everything; the fact that they are out there living under those conditions justifies us in doing everything in our power to help them to make good when they have wheat on hand.

I fear that my time is practically exhausted. There were other things which I wished to say, but I shall say only one more thing.

The latest report from Sir John Boyd Orr, the man who originated FAO, states that the world requires $12 billion worth of goods in order to relieve hungry people. As I said in a former speech, we have not had in previous parliaments men with intelligence and understanding enough to find out how to get those goods to those people who need them. Please the Lord, the time may come when we shall know how to get $12 billion into the hands of the needy people so they can buy up the surplus production which is now being brought into being.

The fact that there is such a colossal need for food certainly ought to impress any hon. member of this house or any person in the country that we should go full speed ahead with production and take whatever measures are necessary to enable our producers to produce and store and go on producing from year to year, until we are able to decide upon a policy if need be, along some other line.

I do not hesitate one minute to say that I am going to vote for the amendment and against the bill. Then, if I have the opportunity, and my friends stand by me, I shall move some amendments myself.

Mr. Claude Ellis (Regina City): Mr. Speaker, about an hour ago the right hon. Minister of Trade and Commerce made a statement, and at one point I interjected that that was just one side of the coin. Upon reflection I think perhaps I was a little charitable in suggesting that it was one side, because since the right hon. minister made his remarks I have had an opportunity of perusing the report to which he referred.

This was report No. 8 dealing with agricultural markets and prices, submitted by the royal commission on agriculture and rural life in Saskatchewan. I might say at the outset that I feel certain the minister is not trying to convince the house that this report had anything to do with persuading the government to undertake the type of legislation we are now confronted with because this report was not brought down until February 3 of this year.

I made reference to the minister giving only one part of the story, and a very minor part to say the least. I direct the attention of the house to the fact that the minister quoted a few sentences from the main body of the discussion, and I think it is most significant that the section which he quoted starts out with the word "perhaps". It goes on to discuss certain alternative proposals that have been suggested to the commission. I notice that the minister was very careful to omit the conclusions, which I suggest are the most important parts of any royal commission reports. The minister neglected to mention them.

I am sorry the minister is not in his seat. I notice he left the house a few moments ago. I hope we shall not have a repetition of something that happened in this house the other day, when the hon. member for Rosetown-Biggar was accused of having deliberately chosen a time when another minister was not in his seat to discuss something that had been said by the minister previously.

An hon. Member: Don't worry about that.

Mr. Ellis: I draw to the attention of the house that on page 207 of the report to which the Minister of Trade and Commerce made reference is conclusion No. 17, arising out of the very exhaustive study made by this royal

commission. In conclusion No. 17—and I am going to read the most pertinent part—

An hon. Member: Read the whole of it.

Mr. Ellis: It says:

A survey of present storage facilities—

An hon. Member: Put the whole thing on the record.

Mr. Ellis: I shall read the entire conclusion.

An hon. Member: Read the book.

Mr. Ellis: I certainly wish I had the chance to read the entire report into the record. As a matter of fact I hope the Minister of Trade and Commerce, who apparently seemed willing to pick out one recommendation from the report, would be willing to take the report as the basis of a sound agricultural policy.

Mr. Argue: The Minister of Agriculture could do that.

Mr. Ellis: But I am going to put on the record the concluding remarks of this commission on the matter presently under discussion. Once again, on page 207 of the report it says:

A survey of present storage facilities is urgently required to determine whether new storage is needed and, if needed, where it should be built. In the meantime, advance payments could be made by the wheat board on properly stored grain on the farm to ease the farmer's immediate cash shortage.

That is the conclusion arrived at by the royal commission. The Minister of Trade and Commerce selected certain sentences out of the preliminary remarks of the commission, but he neglected to read the conclusion.

Mr. Dickey: I challenge the hon. member to put on the record the whole of conclusion No. 17.

Mr. Argue: I challenge you to put all the conclusions on the record.

Mr. Ellis: I suggest that any hon. member who wants to read the report may do so. I have put on record the last sentence of the recommendation, which sums up the entire recommendation in this respect. If there is any doubt at all—

Mr. Rowe: Read it again.

Mr. Ellis: As some hon. member has suggested, I shall read it again.

A survey of present storage facilities is urgently required to determine whether new storage is needed and, if needed, where it should be built. In the meantime, advance payments could be made by the wheat board on properly stored grain on the farm to ease the farmer's immediate cash shortage.

What could be more explicit than that?

Mr. Gardiner: Read the rest of it. Do you want me to read it?

Mr. Deputy Speaker: Order. I take it that the hon. member has not given his consent to this interruption.

Mr. Ellis: When I took my seat I was under the impression that the Minister of Agriculture was rising on a point of order. It was quite obvious that he rose to make another speech.

Mr. Gardiner: I did not rise on a point of order. I asked you to read one more sentence.

Some hon. Members: Order.

Mr. Ellis: I realize that this is most unpalatable to the minister and his supporters.

Some hon. Members: Read it.

Mr. Deputy Speaker: Order. It is impossible to hear the hon. member, and I hope he will be given the opportunity to make his remarks.

Mr. Ellis: If I had more time this afternoon I should have been happy to read all the recommendations contained in this report, because I feel they would bring a great deal of worth-while opinion that would be to the advantage of this government, if it would accept the recommendations outlined in the report in so far as they affect federal matters.

Mr. Dickey: A complete fake.

Mr. Ellis: The Minister of Trade and Commerce also put on the record the names of the members of the commission. This is interesting, because the members of the commission whose names were quoted by the minister are in some cases members of other organizations that have gone on record in this connection. I noted that some reference was made to Mr. J. L. Phelps. Hon. members will recall that it was Mr. Phelps who, according to a report in the Ottawa *Journal* of February 20, was quite active in negotiations that resulted in a statement of policy in support of cash advances on farm-held grain on behalf of some one million organized workers throughout Canada. Mr. Fowler's name was also mentioned, the same Mr. Fowler who is an officer of the federated co-ops, an organization representing 150,000 patrons which has also gone on record as being in favour of cash advances on farm-stored grain.

The Minister of Agriculture tried to create the impression that the members of the government were speaking for organized agriculture on the prairies. This should be viewed in the light of the fact that there are only five Liberals in the house from Saskatchewan and there are only 11 Liberals in the Saskatchewan legislature—and there will be a great

many less after the election next June. We have the recommendations of the Saskatchewan farmers' union and the emergency resolution passed last November 1 by the delegates of the Saskatchewan wheat pool, who went on record as advocating cash advances on farm-held grain. In the recommendations of the Saskatchewan farmers' union it was pointed out to the government that there had been scores of mass protests held throughout western Canada, and there had been resolutions and petitions developing spontaneously.

I might add that many hon. members on the government side have had ample reason to appreciate the truth of the statement I have just made. The Minister of Justice could speak from his own personal experiences in his own constituency. There were meetings held in other areas in Manitoba. A meeting was held in my own constituency, at which there was no question as to where the farmers in that constituency stood.

On motion of Mr. Ellis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall go on with this tomorrow, sir.

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

ANSWERS TO QUESTIONS

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

TRANS-CANADA HIGHWAY

Question No. 134—**Mr. Follwell:**

1. What has been the total cost to the federal government of the trans-Canada highway?
2. How much has been spent by the federal government in each province?
3. How much has been spent by each province?
4. How many miles have been completed on the trans-Canada highway?
5. How many miles have been completed in each province?
6. How many miles are now under construction in each province?
7. When will the trans-Canada highway be completed?

Answer by: **Mr. Winters:**

1. $82,750,095.97 including Banff and Yoho national parks, as of February 1, 1956.

2. To February 1, 1956:

Newfoundland	$ 6,453,804.33
Prince Edward Island	1,530,178.31
Nova Scotia	309,903.60
New Brunswick	3,577,757.77
Ontario	22,785,104.94
Manitoba	6,320,949.51
Saskatchewan	8,589,474.71
Alberta	9,807,943.19
British Columbia	17,232,481.53

3. No information.

4. 1,588 equivalent miles to December 31, 1955. (Including parks.)

5. Equivalent mileage of trans-Canada highway completed to December 31, 1955:

Newfoundland	141
Prince Edward Island	50
Nova Scotia	26
New Brunswick	65
Ontario	387
Manitoba	151
Saskatchewan	347
Alberta	208
British Columbia	193
Total	1,568

6. Equivalent miles under construction:

Newfoundland	60
Prince Edward Island	0
Nova Scotia	16
New Brunswick	4
Ontario	65
Manitoba	25
Saskatchewan	7
Alberta	6
British Columbia	46

7. Under the terms of a proposed new agreement the completion date being established will be December 31, 1960.

VANCOUVER POLICE FORCE—INVESTIGATION BY R.C.M.P.

Question No. 144—**Mr. Fulton:**

1. Did Inspector Dube of the Royal Canadian Mounted Police proceed to Vancouver for the purpose of special investigations in connection with the royal commission of inquiry into the Vancouver police force?
2. If so, where did he live during the period of his investigations, and for how long?
3. Did any other Royal Canadian Mounted Police personnel accompany him or were any such personnel assigned for the purpose of such investigation? If so, how many and of what rank?
4. By whom were the costs of such investigations, including living expenses, borne? If by the federal authorities, what was the cost?
5. Are the investigations concluded? If so, did they reveal any criminal activities, and what has been the result of such revelation?

Answer by: **Mr. Garson:**

1. Yes. Proceeded from Regina, Saskatchewan to Vancouver, British Columbia,after a request in writing was received from the deputy attorney general of British Columbia for the Royal Canadian Mounted Police to investigate suspected criminal offences arising out of matters coming to light before the Vancouver police inquiry.

2. Resided at a hotel and autocourt, respectively, in Vancouver, British Columbia. Duties commenced on July 16, 1955, and ceased on February 15, 1956.

3. Yes. Four resident members of the British Columbia division Royal Canadian Mounted Police were assigned to the investigation. These were one sergeant, two corporals and one constable.

4. Costs of investigation were borne by the Royal Canadian Mounted Police under the terms of the agreement between the government of the province of British Columbia and the federal government for the policing of the said province. Total costs were $2,628.69 plus police car mileage of 10,129 miles.

5. Yes. The results of the investigation have been passed to the attorney general of British Columbia. To date, the Royal Canadian Mounted Police have received no instructions to enter prosecution against any person.

APPENDIX

LETTER AND MEMORANDUM RESPECTING FISCAL ARRANGEMENTS WITH PROVINCES

OFFICE OF THE PRIME MINISTER
CANADA

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

OTTAWA, February 18, 1956.

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

My dear Premier:

Since the federal-provincial conference adjourned in October, the federal government has made the fiscal proposals outlined in my letters of January 6 and explained them in some detail early this month to provincial treasury officials. It has also made contingent commitments to recommend to parliament financial participation on a large scale in provincially-administered hospital insurance plans. It has received written comments on the proposals from the premiers of three provinces, which have been studied along with comments and questions received in conversation.

I am enclosing a memorandum from the Minister of Finance giving answers to a number of questions that have been raised by provincial representatives. Some of these answers involve some modest development in the details of the proposals advanced by the federal government in January. In particular the government has decided that it would be in accord with the spirit of the present arrangements and with the special nature of the federal tax on insurance premiums to treat provincial taxes on insurance premiums as not being special corporation taxes within the scope of paragraphs three and five of my letter of January. This will improve the arrangements from the point of view of all provinces.

In view of the suggestion that we should meet again in committee to discuss these fiscal arrangements, I feel it would not be fair to the provincial governments if I failed to indicate at this time that the federal government believes its own fiscal situation in the next few years would not justify adding any substantial further financial commitments beyond those already proposed.

In the replies I have received to my letters of January 6, the premiers of Nova Scotia and New Brunswick have expressed regret that the federal government was not able to accept suggestions such as they made for a wider application of the fiscal need principle, and the premier of Saskatchewan has also indicated that in his view fiscal need has not been given sufficient weight. My colleagues and I feel there is a very substantial recognition of fiscal need involved in the equalization payments we have proposed and also in the high level of returns in these tax fields which we are prepared to guarantee to provincial governments. These are, of course, in addition to the existing statutory subsidies which already make special provision for the fiscal need of the Atlantic provinces. We believe we should all have some experience in the practical operation of these proposals before going on to consider other concepts of fiscal need.

I note that only two of the premiers have suggested a resumption of the conference for the purpose of considering the fiscal proposals. Since our federal responsibilities and commitments are now so heavy that we would not be warranted in making any increases in the basic offer we made in January, it may be that the provincial governments generally would not feel that there would be any advantage to be derived from another meeting to discuss fiscal relations.

If a further meeting in committee is generally desired, we would suggest it be held either on March 2 or March 9 in order that final decisions can be reached before the Minister of Finance completes the preparation of his budget. If, on the other hand, most of the provincial governments see no substantial advantage in a general meeting, Mr. Harris and I would be happy to confer at any time between now and the early part of March with the premier or treasurer of any province wishing individual discussions of particular aspects of the proposals.

I should be grateful to have your views at your earliest convenience.

Yours sincerely,
LOUIS S. ST-LAURENT.

Memorandum from the Minister of Finance of Canada in the matter of certain questions raised by provincial governments relative to the federal fiscal proposals of January 6, 1956.

In the course of discussions on the fiscal arrangements between Canada and the provinces advanced by letter of the Prime Minister dated January 6, 1956, certain questions were asked and clarifications requested. The federal government's position relative to these matters is set out in this memorandum.

1. *Royalties and the taxation of income from certain natural resource industries.*

Under present fiscal arrangements, the provinces have not been restricted in the imposition of royalties on natural resources. No specific suggestions have been made for changes in the methods employed and none would seem warranted.

Present procedure gives the provinces a substantial concession in the taxation of the income from mining operations and the income from logging operations. It is proposed that this general position be maintained. The federal government would be willing to undertake, should any province wish, further studies in an endeavour to determine if better formulae for the allocation of profits between the primary and secondary phases of the industries can be devised.

The extension of this special treatment to the petroleum and natural gas industry is not warranted, in our opinion.

2. *Tax on insurance premiums.*

Under present arrangements, a full offset against the federal tax is given in a non-renting province for the insurance premium tax charged by that province. In a renting province, the province has been paid for relinquishment of the corporation tax field and the insurance premium tax is included in that category.

In order to put all provinces on an equal basis in this field and at the same time provide to them a substantial additional source of revenue, the federal government is prepared to allow any province an offset for a tax on insurance premiums. Accordingly provincial taxes of this nature would not be considered corporation taxes for purposes of paragraphs 3 and 5 of the Prime Minister's letter of January 6.

3. *Definition of corporation tax.*

The definition of corporation tax included in the present tax rental agreement would not seem to require any changes in substance. There are however two exceptions to it where provinces have requested some liberalization of the terms. These are in relation to the limits on license fees now set at $250 per annum for each corporation, and the gross receipts or gross revenue tax on certain public utility companies now set at 4 per cent in the case of telephone companies and 3 per cent in the case of all others.

The federal government will be prepared to increase the allowable limit on license fees to $400 from $250 as now authorized.

As to the rate of tax on gross receipts or gross revenue of certain public utility companies, we will be prepared to study this in an effort to determine if some increase in the present rates is justified.

4. *Base year for purposes of equalization.*

In the proposals the base year on which calculations are made for purposes of equalization is that taxation year preceding the fiscal year for which payments are to be made. The calculation of payments under the current rental agreements has always been on this principle. In view however of the desirability of placing these payments on as current a basis as possible, the federal government is prepared to calculate these equalization payments on the basis of the current taxation year as is provided for in calculation of proposed tax rental payments. This decision accepts the fact that all payments in a fiscal year will be on the basis of estimates and that some substantial if indeterminate financial cost to Canada is involved in this change.

5. *Fire marshal tax.*

The federal government is willing to consider a more flexible policy in this matter providing that the principle of the tax being used for costs of operation is maintained.

6. *Tax on income of non-residents.*

The federal government will regard tax revenue from income of non-residents of Canada as being subject to allocation under the proposals.

7. *Withholding tax.*

The federal position is that taxes shared with the provinces should be confined to those of a nature normally employed by them. Withholding tax does not come in this category and therefore cannot be included for purposes of provincial sharing.

8. *Sharing of income tax from companies whose main business is the generating or distributing of electrical energy, gas or steam to the public.*

The federal government is prepared to continue these payments for the time being but will not incorporate the provision in any formal agreement entered into.

9. *Deduction of certain corporation income tax revenue losses from the payment due a province.*

The federal government will not require the inclusion of this provision in any future arrangements.

10. *Collection agreements.*

The federal government will undertake to enter into a suitable agreement to make its facilities available to any province for collection of provincial taxes on personal or corporation income providing that the terms of

the provincial statutes do not differ from those of the federal statute and that the rates imposed are at the standard rates of tax as contained in the proposals.

Any agreement would be on an agency fee basis subject to cancellation on adequate notice by either party.

11. *Formula for allocation of corporate profits between provinces.*

The current federal procedures in this will be followed.

12. *Special provision for raising revenue for a provincial health program.*

The exceptions contained in the definitions of individual income tax in the present agreements will be carried forward into any new agreement.

13. *Old age security tax.*

The federal government's position is as stated in the Prime Minister's letter of January 6, 1956.

The old age security tax is not part of the federal income tax structure proper, and will be excluded from calculations of the provincial share of tax fields and from abatement of federal tax.

14. *Adjustment for changes in definition of income, etc.*

Under the proposals it is provided that adjustments will be made for changes in rates and personal exemptions in personal income tax and succession duties. Miscellaneous changes in income definitions, allowances, etc., are most difficult to assess and it is therefore necessary that the adjustments be limited to those as originally set out in the proposals.

15. *Tax credits after expiry of agreement.*

It is not considered necessary or desirable that the federal government should limit itself to any specific tax policy beyond the period of any agreement entered into. For the purposes of any province entering into a new tax rental agreement, Canada will be prepared to undertake that at the conclusion of the agreement a renting province will not be placed in a less favourable position than a non-renting province relative to federal tax abatements or credits.

16. *Termination.*

It is proposed that the same conditions apply as under the present tax rental agreements.

W. E. Harris
Minister of Finance.

Ottawa,
February 18, 1956.

HOUSE OF COMMONS

Thursday, February 23, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

ADDRESS TO BOTH HOUSES BY THE PRESIDENT OF ITALY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I feel sure that hon. members have been pleased to learn that the President of Italy, His Excellency Giovanni Gronchi, has accepted an invitation extended by the government to visit Canada during his North American tour. Mr. Gronchi will be arriving in Ottawa on Saturday, March 3, and will remain until Monday, March 5. Mr. Gronchi will be accompanied by his Minister of Foreign Affairs, Mr. Gaetano Martino.

His Excellency the Governor General has invited the President and Madame Gronchi, and the Minister of Foreign Affairs and Madame Martino to be his guests at Government House during their visit.

Hon. members will also be pleased to learn that Mr. Gronchi has consented to address both houses of parliament in this chamber on Monday, March 5, at 2.30 p.m.

REQUEST FOR CALLING OF STANDING COMMITTEE ON AGRICULTURE

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I wish to direct a question to the government. Does the government intend to call a meeting or meetings of the standing committee on agriculture during the present session of parliament to study the economic problems of agriculture other than those arising out of wheat, with particular reference to the ever-increasing costs and declining prices and markets?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the committee on agriculture and colonization is a standing committee of this house. It is my understanding that the committee decides what it will discuss, and I presume that will be so in this case.

ST. LAWRENCE SEAWAY

REQUEST FOR INTERVENTION ON BEHALF OF CAUGHNAWAGA INDIANS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask a question of the Minister of Citizenship and Immigration. Will the minister intervene on behalf of the Indians of the Caughnawaga reservation near Montreal and arrange to halt the entry into and destruction of homes and property of those Indians by contractors of the St. Lawrence Seaway Corporation at least until the question of compensation and alternative housing accommodation is settled?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): No, Mr. Speaker; the Minister of Citizenship and Immigration will not intervene. This matter has proceeded according to law, as provided by this parliament at the last session, and everything that has been done about this matter has been done in accordance with the law. Every Indian whose property is affected has been seen individually by the legal adviser of my department, and the whole situation has been thoroughly explained. Proper and appropriate arrangements are being made between the seaway authority, my department, the band council and a committee appointed by the band itself to deal with this matter. I think it would be quite improper, sir, to give any impression that anything else was the case.

Mr. Fulton: Does the minister recall that on June 27 of last year—

Some hon. Members: Order.

Mr. Fulton: Does the minister recall that on June 27 of last year he gave an undertaking to this house, the spirit of which seems to be completely denied by his present attitude? In the light of that previous undertaking, will the minister not reconsider and at least arrange that houses be not destroyed until alternative housing accommodation is provided in the middle of winter?

Mr. Pickersgill: No houses are being destroyed until alternative housing accommodation is provided.

[*Later:*]

Mr. G. H. Castleden (Yorkton): Mr. Speaker, this question is supplementary to the question asked by the hon. member for Kamloops (Mr. Fulton). Will the minister inform the house what compensation has been given to the people who live on the Caughnawaga reserve whose homes and property have been confiscated for the construction of the St. Lawrence seaway through that reserve?

Mr. Pickersgill: Mr. Speaker, I am sure the hon. gentleman was quite inadvertent in using the word "confiscated". There is no

question of confiscation; it is an expropriation for which full and adequate compensation will be paid.

It was suggested that an interim payment should be made but I am informed that the Indians would prefer to have the final value determined before being paid. A valuation has been made on behalf of the seaway authority and a separate valuation has been made by my department. At the present time my department, in consultation with the council of the band, is engaged in discussions with the seaway authority with a view to seeing whether an agreement can be reached which will be satisfactory to each individual Indian who is in possession of land being expropriated. If such agreement cannot be reached, of course, the issue will, as is always the case with expropriations, be decided by the courts.

Mr. Speaker: The hon. member for York West (Mr. Hamilton).

Mr. Fulton: Mr. Speaker, may I ask a supplementary question?

Some hon. Members: The hon. member for York West.

Mr. Fulton: May I ask the minister—

Mr. Speaker: Is the hon. member asking a supplementary question?

Mr. Fulton: May I ask the minister if he saw a delegation yesterday made up of members of this band and, if so, what did they come to see him about?

Some hon. Members: Order.

Mr. Speaker: I do not think we should start having questions and answers as to who comes to this building and what for.

EXTERNAL AFFAIRS

VISIT OF PRIME MINISTER TO WASHINGTON —SUBJECTS TO BE DISCUSSED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister? Will the Prime Minister enlarge upon the Canadian Press report that he plans to go to Washington at Easter? Will he tell us what subjects he intends to discuss with President Eisenhower, and whether any other cabinet minister will be going with him?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it is true that I have received an invitation from President Eisenhower to visit him and I have been very pleased to accept the invitation, but I think it would not be courteous for me to give any details of the proposed visit until there has been an announcement from the White House.

POSSIBLE RETALIATION FOR ACTION OF STUDENTS OF QUEEN'S UNIVERSITY

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, is the absence of the Secretary of State for External Affairs an indication that the government is expecting massive retaliation from Watertown, New York, because of the recent flag-raising episode indulged in by students of Queen's University on Washington's birthday?

ATOMIC ENERGY

AVAILABILITY OF URANIUM FOR PEACEFUL USES AT HOME AND ABROAD

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister noted in this morning's *Globe and Mail* the report to the effect that the United States will make available $1 billion worth of uranium 235 at home and abroad for promotion of peaceful uses of atomic energy? Will the Prime Minister indicate whether or not similar consideration has been given by Canada?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I have noted the report but I would prefer not to comment until we have received the text of the announcement in the ordinary course of events.

CANADIAN BROADCASTING CORPORATION

REFERENCE TO ALLEGED CANCELLATION OF PROGRAM

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Is the Minister of National Revenue now in a position to answer the question I asked him on February 15 as to who it was within the Canadian Broadcasting Corporation who made the decision that the program on "The Age of Mackenzie King" by Ferns and Ostry should not proceed? The question is to be found at page 1198 of *Hansard*.

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the answer is that the Canadian Broadcasting Corporation takes full responsibility for their attitude.

Mr. Fleming: Mr. Speaker, that is not an answer to my question. I point out to you, sir, that that is what the minister said, as

reported on page 1198 of *Hansard*, on February 15. It was because of that answer that I asked my question. May I read his answer, sir?

Mr. Speaker: Order. I remember the answer. The reason I interrupt the hon. member at this time is to remind him that the minister takes responsibility for the reply he has just given to the question by the hon. member. I am looking at citation 307 which says:

> A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed.

Mr. Fleming: Mr. Speaker, quite within the terms of that citation I would just point out to you, sir—

Some hon. Members: Order.

Mr. Fleming: On page 1199 the minister said this when I asked him the same question:

> In answer to that question, I shall take the matter up with the Canadian Broadcasting Corporation.

I took it that he meant he was going to bring back an answer to this house and that is the reason for my asking that same question again today, and I ask the minister the same question now.

Mr. McCann: I have done as I said I would; I have taken it up with the Canadian Broadcasting Corporation and the answer I was given is the one which I have just made.

POTATOES

NEW BRUNSWICK—INQUIRY AS TO CHANGE IN STARCH PROGRAM

On the orders of the day:

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the government received any recommendation from the agricultural prices support board in reference to any change in the potato starch program in New Brunswick within the last week?

If so, will the minister state what the government's decision is in the matter and what the government is prepared to do.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member was kind enough to send me notice of his question.

The first question is: Has the government received any recommendation from the A.P.S. board in reference to any change in the potato starch program in New Brunswick within the last week? The answer to that question is yes.

The question continues: If so, will the minister state what the government decision is in the matter? They asked for an increase in the spot grade price from $1 to $1.20 and it was indicated to them that that could not be done. They asked for a tolerance in connection with the spot grading, a guaranteed tolerance of 20 per cent. There is a tolerance now in the fact that it is an estimate as to what the proportion of grades of potatoes certain truck loads would be and they are asking to have that guaranteed. The answer they received to that was that it would be given consideration.

The other request was to set the date at June 30 instead of April 30. It was intimated to them that the decision on that could not be made until we approach the date of April 30. Consideration is always given as the time in the agreement is reached and will be given again.

DEFENCE PRODUCTION

CF-105—INQUIRY AS TO PRODUCTION PROGRESS

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the right hon. Minister of Defence Production. Is the minister in a position to confirm the report that production of the CF-105 at A. V. Roe Canada Limited is two years ahead of schedule and that the prototype will be coming off the assembly line by the summer of 1957?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, apparently my hon. friend has better information from inside Avro than I have. I cannot answer the question.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—REQUEST FOR LIST OF SHAREHOLDERS

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce in view of the financial arrangement that the government is proposing to enter into with Trans-Canada Pipe Lines Limited. Has the government secured a list of the shareholders of the company showing how many are Canadians, and will the government table that list?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, all the information that I have about the shareholders of Trans-Canada Pipe Lines Limited has been placed on the table, some of it recently

at the request of the Leader of the Opposition (Mr. Drew). Correspondence with the company has been tabled on the request of other hon. members. I have no information in addition to that.

IMMIGRATION

ISRAEL—FACILITIES PROVIDED AND APPLICANTS TO BE CONSIDERED

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration what progress has been made in providing facilities in Israel to deal with prospective immigrants to Canada, and also what relatives of Canadian residents will now be considered for such immigration?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I think that perhaps this question should have been put on the order paper, but I do know there is a great deal of interest in the subject and I might just as well reply now. The government has made no progress in providing facilities for immigrants from Israel and has no intention of making any progress in that direction because the government of Israel, which is a country seeking immigrants, does not wish us to do so. We have provided consular service in Israel which is available to my department to assist in dealing with applications of certain categories of close relatives of Canadians who are admissible and desire to come to Canada.

Those categories are, in the case of residents of Canada, the wives or widows and minor children of residents, men over 65 years of age, women over 60 years of age, duly ordained ministers of religion and other persons whose normal and full-time vocation is devoted to the service of a recognized religion, husbands and parents, and humanitarian and compassionate cases. In the case of Canadian citizens resident in Canada, the list also includes children of any age, married or single, and fiancés.

Mr. Michener: May I ask a supplementary question. Would sisters come within the categories being considered?

Mr. Pickersgill: I understand that normally applications would not be considered unless there were special compassionate or humanitarian grounds.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask a supplementary question. For purposes of immigration and citizenship are the people of Israel classified as Asiatics?

Mr. Pickersgill: No, they are not.

[Mr. Howe (Port Arthur).]

LIVESTOCK

REQUEST FOR FURTHER INFORMATION FROM PACKERS TO PRODUCERS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I wonder if the right hon. Minister of Agriculture is prepared to comment upon the question I directed to him yesterday?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the question which I took as notice yesterday was:

> Would the minister suggest to packers that they fill out in the space provided on return statements to producers the extra costs connected with settlement in order to clear up any doubts in the minds of the producers as to the basis of settlement?

I have inquired into the matter and I find that, as I have stated in the house on a number of occasions, the place at which the floor price can be obtained is at the stockyards. When hogs are delivered to the stockyards, that space is filled in there. If they are not delivered to the stockyards, of course, there are no charges in getting them from the stockyard to the plant, and they would not be filled in by the packers.

GRAIN

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

The house resumed, from Wednesday, February 22, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain, and the amendment thereto of Mr. Nicholson.

Mr. Claude Ellis (Regina City): Mr. Speaker, yesterday, during the discussion of this amendment, the Minister of Trade and Commerce (Mr. Howe) placed on the record an excerpt from a report published on February 3 of this year on "Agricultural Markets and Prices" by the provincial royal commission on agricultural and rural life in Saskatchewan. I drew the attention of members of the house to the fact that the minister had seen fit to place this one excerpt on record, yet had neglected to read further in the report and deal with the conclusions and recommendations made by that commission.

It was the minister himself who introduced this document into the debate, and it was simply for the purpose of setting the record straight that last evening I read into the record a portion of a conclusion arrived at by that commission with respect to the subject now under discussion. Hon. members will recall that last evening there was such

a babble across the way that I and other members in this group found it almost impossible to determine what hon. members on the other side were objecting to, although we could well judge from their behaviour that they found the remarks most unpalatable. Now I have had a chance of reading *Hansard,* and I note the requests of hon. members opposite to read all the sentences in the particular conclusions I placed on the record yesterday. In conclusion No. 17, found on page 207 of the report, the commission states as follows:

> Delayed deliveries of wheat, necessitated by lack of storage space, result in high farm storage expenses and delayed returns to producers. For farmers with limited resources the resulting financial hardship is serious. The proposal that farmers be paid storage for farm-stored grain has considerable merit.

At this point I should like to draw the attention of hon. members to the fact that, when the Minister of Agriculture went to the press after the house adjourned, he himself did not place all the sentences on record. He just took one sentence out of that conclusion to buttress his particular point of view, but I draw to your attention this reference in the part I had not read yesterday:

> The proposal that farmers be paid storage for farm-stored grain has considerable merit.

Then it goes on to say:

> In addition, the provision of emergency credit by banks and credit unions—

Once again I want to draw to the attention of hon. members of the house that this legislation has completely ignored the credit union movement in the country.

> —guaranteed by the federal government, would be a useful part of any long-term agricultural program.

This is the part I put on the record yesterday, and note that the legislation before the house is presumably to take care of an emergency. It is temporary legislation. Yet the commission states:

> In the meantime, advance payments could be made by the wheat board on properly stored grain on the farm to ease the farmer's immediate cash shortage.

If the Minister of Trade and Commerce (Mr. Howe) had been interested in giving a comprehensive picture of the report to the house he could have gone on further from the conclusions to the recommendations, and on page 216 he would have found recommendation No. 14, which reads as follows:

> That, in view of the grain producers' immediate need for cash and their present difficulty in selling farm stocks of grain, the federal government promptly establish, on an emergency basis, a system of cash advances on farm-stored grain.

May I draw attention to the words "on an emergency basis", because, if you will recall, the earlier part I placed on the record uses the words "in the meantime". In other words, what the commission is actually doing is suggesting that there is a place in a long-term program for reenactment of the 1951 type of legislation, but nowhere in the report does it suggest that type of procedure as a solution to the present emergency situation.

Mr. Howe (Port Arthur): Would my hon. friend mind reading recommendation 15, since he is in the mood for confession?

Mr. Ellis: I think we could go on reading from the report for hours, but in my opinion the *Star-Phoenix* summed it up very neatly in its editorial of February 14 when it suggested that so far it looks like a draw between loans and cash advances. We will admit to the minister that there are excerpts he may take from the report which may give him some solace and comfort—

Mr. Knowles: He needs it.

Mr. Ellis: —but by the same token we can produce far more valid quotations from the report to prove our point. I suggest to the minister that this last-minute effort to clutch at the report as a means of alibiing for the impasse in which the government finds itself is not too convincing, and in that regard I should like to refer to what the minister said in his speech yesterday. As found at page 1447 of *Hansard* he said:

> The bill was recommended by the farm leaders of the province. It is endorsed by a commission of the provincial government—

That was a deliberate effort to create the impression that because the commission, in an omnibus study of farm problems, happened to mention this particular issue, which was not such a serious problem at the time the commission was holding its hearings, somehow or other what they said represents the viewpoint of the provincial government. The minister went on to say:

> —but it is opposed by this little group who represent perhaps some opinion but, if my opinion is correct, it is a small portion of the public opinion in the province of Saskatchewan.

I suggest, Mr. Speaker, that some time next June hon. members will have a chance to see, through the surest method possible, just how public opinion stands in that province. However, in view of the fact that the minister stated in the house yesterday that we do not represent public opinion in the west, I think the time has come to reiterate and place in proper perspective the recommendations of farm organizations throughout the west. I ask hon. members to weigh them in the balance and to decide just who is speaking for the farmers of western Canada. There are in the province three organizations which represent

the vast majority of the farmers there. I refer to the Saskatchewan wheat pool, a member of the Canadian Federation of Agriculture, the federated co-operatives, with membership throughout Saskatchewan and the province of Manitoba, and the Saskatchewan farmers' union. What do we find? I mention this in connection with the remarks of the minister yesterday. The Saskatchewan wheat pool held its annual convention last November and in their publication headed "Wheat Policy—1956" they have this to say: This stems from or is contained in the report of their 1955 convention held last September:

> The current problem of a shortage of farm cash was considered as soon as the annual meeting opened. The delegates went on record in favour of a system of cash advances against farm-stored grain to be paid out by the Canadian wheat board through elevator companies with the federal government assuming the interest on the loans involved.

That is the announced policy of the Saskatchewan wheat pool. Yet the minister suggests that we are not speaking for organized agriculture in western Canada. Surely neither the minister nor any hon. member on the government side of the house can argue that the Saskatchewan wheat pool does not represent the vast number of farmers on the prairies. Then we have the 150,000 members of the federated co-operatives in the provinces of Saskatchewan and Manitoba. They have gone on record in this connection. In a resolution which was sent to the Prime Minister they state as follows:

> Whereas we consider the recently announced plan to place cash into the hands of grain producers through government guaranteed bank loans is entirely inadequate and most unsatisfactory for the following reasons:
>
> 1. The amount available through the proposed plan is not nearly sufficient to meet such immediate items as taxes, harvest operating costs and living expenses for the average grain farmer.
>
> 2. It is unfair to ask farmers to pay interest on loans against their production when they are not responsible for the inadequacies of national policies that make it impossible for their grain to be sold on world markets.
>
> Therefore, federated co-operatives, representing 650 consumer co-operatives with a membership of 150,000 in the province of Manitoba and Saskatchewan, request the federal government to arrange interest-free advances on farm-stored grain.

That is another argument. Does the Minister of Trade and Commerce suggest that the federated co-operatives are wrong? He has intimated that the wheat pool is wrong, that the federated co-operatives are wrong and that the Saskatchewan farmers' union is wrong.

An hon. Member: You are wrong.

Mr. Ellis: I am interested in the interjections that are being made. I am suggesting that contrary to the statements made by the minister yesterday, these organizations represent agriculture on the prairies. The Saskatchewan farmers' union made their presentation to the government just a week or two ago and I am sure that members from Saskatchewan, in their meeting with that organization, were left in no doubt as to how the Saskatchewan farmers' union felt. They state:

> Therefore, the Interprovincial Farm Union Council is continuing to press for adoption of its original proposal—

I think the hon. member for Rosthern ought to pay attention to that statement.

> —(which has been endorsed at the three wheat pool delegate meetings) that the government arrange for interest-free cash advances by the Canadian wheat board on farm-stored grain to the value of 50 per cent of the initial payment on an estimated delivery of eight bushels per cultivated acre.

Three organizations representing the vast mass of the farmers of the west, particularly in Saskatchewan, have gone on record.

Mr. Howe (Port Arthur): My hon. friend will surely give us the conclusion of the fourth organization that he mentioned, namely the Canadian Federation of Agriculture.

Mr. Ellis: Mr. Speaker, the Saskatchewan wheat pool is a member of the Canadian Federation of Agriculture. As some other hon. member pointed out, no mention was made of this particular problem by the Canadian Federation of Agriculture.

Mr. Howe (Port Arthur): Oh, yes.

Mr. Ellis: As far as the prairie farmers are concerned, we can only conclude that the wheat pools as members of the federation are expressing the considered opinion of their membership on the prairies.

Then we can go beyond that to the legislature of Saskatchewan. I note that this year the C.C.F. member for Gravelbourg in the provincial house put forward a resolution calling on the government to implement cash advances. Mr. Walker, the member for Gravelbourg moved:

> That this assembly, recognizing that the federal government guaranteed bank loan scheme is inadequate to meet the serious financial crisis now confronting the western grain farmers and the entire prairie economy, deplores the failure of the federal government to provide a pre payment on the initial price of grain in the form of a cash advance on farm-stored grain.

Some hon. Members: Oh, oh.

Mr. Ellis: Some hon. members are saying "oh, oh". I am going to make a guess. I am willing to make a wager with any hon. member opposite that when this resolution goes before the legislature, every Liberal in the legislature will vote for it. I shall be

glad if anyone wants to take that wager. I am convinced that when that resolution comes up for a vote, every Liberal M.L.A. will be voting for it. I am not alone in making that prediction. Why? Because there was a similar resolution in 1953 when the hon. member for Rosthern was the leader of the opposition in the Saskatchewan legislature. In the votes and proceedings of the legislature of Tuesday, April 7, 1953, Mr. Walker, the member for Gravelbourg, moved this resolution:

That, in view of the fact present public grain storage and transportation facilities seriously fail to meet present day conditions arising in part from farm mechanization and inequalities in the quota system, this assembly urges that, in the interests of orderly marketing and the stabilising of farm income, the federal government make immediate provision for:

(a) storage payments comparable to elevator storage charges on grain suitably stored by farmers;

(b) substantial advance payments on grain stored in approved bins.

An hon. Member: Who voted for it?

Mr. Ellis: Who voted for it, someone asks. The hon. member for Rosthern voted for it. That was the western Tucker. But when he comes down to Ottawa it is a different matter. He is the chief apologist for the government. In 1953 when this matter was before the provincial house—and I am glad to see that the hon. member for Rosthern has returned to his seat—this resolution was passed unanimously by the Saskatchewan legislature. I repeat that when the present resolution comes before the house I am satisfied that every Liberal M.L.A. in the house will vote for it just as they did in 1953. But out west the Liberals have one story. They have one voice out there. When they get down here it is an entirely different matter. I know that the hon. member for Rosthern in a recent broadcast which is printed in the *Saskatchewan Valley News,* a Rosthern paper, goes to bat for the Minister of Trade and Commerce. He does not try to beat about the bush. He comes out and parrots exactly the words of the Minister of Trade and Commerce. In this broadcast he quotes the minister as follows:

We looked at the possibility of advances to producers by elevator agents on behalf of the Canadian Wheat Board. At first glance this seemed to be a logical procedure, but the more we looked at it the less we liked it.

Then a little further on he quotes the famous passage from the speech of the Minister of Trade and Commerce:

You must be careful about lending on grain where only limited security can be had. The grain on the farm would be the only security the board would have. It may be said that the farmer would have to market the grain and bring it to the country elevator eventually, when the board would be able to recover its loan; but I suggest that the farmer does not necessarily have to bring it to the country elevator.

In other words the hon. member for Rosthern is parroting the accusation made by the Minister of Trade and Commerce that the reason they cannot bring in cash advances on farm-stored grain through the wheat board is that you cannot trust the farmer. When the hon. member for Rosthern will go on the air and say to his own constituents that the reason you people are not getting what the farmers want in the west, namely cash advances, is that the Minister of Trade and Commerce (Mr. Howe) does not trust the people of western Canada, he suggests that once the advance is made, they are going to cheat the wheat board and that they are going to try to peddle their grain elsewhere. Even if that were possible I think it is shocking that a statement like that should be made by the minister and even more shocking that those words should be parroted in the province of Saskatchewan by the hon. member who is in effect insulting his own constituents.

Mr. Crestohl: Mr. Speaker, I rise on a point of order. On three separate occasions the hon. member has said that the hon. member for Rosthern has parroted the language of the minister. Under the rules of the house, Mr. Speaker, I find that the hon. member should not be permitted to make the statement—and this is covered under paragraph 299 of Beauchesne—that he does not believe a statement he himself has made. The assertion that the hon. member for Rosthern has parroted the minister is a clear implication that he does not believe the statement which he himself has made and it is my respectful submission that the hon. member should be made to withdraw those remarks.

Mr. Knowles: Mr. Speaker, on the point of order, does it follow that if an hon. member quotes a minister he does not believe what the minister says?

Mr. Harris: There is quite a difference.

Mr. Speaker: I note that the hon. member has cited citation 299 of Beauchesne's Parliamentary Rules and Forms, second edition, in which are given samples of unparliamentary phrases which were ruled out of order. I do not know in what year, but on a certain occasion in the past. If the word "repeated" had been used in the expression perhaps it would have been better and the hon. member would have preferred that. The word "parroted" has been used on three different occasions. It has been used before. It is perhaps in line with a lot of other expressions that have been used since the beginning of the present session.

Mr. Tucker: Mr. Speaker, I am not rising to make any objection to what the hon. member for Regina City said because it has been pointed out to him over and over again that he is putting a wrong interpretation on what the Minister of Trade and Commerce said and on the words which I quoted from his speech. He persists in repeating those misinterpretations and misrepresentations. I do not want to waste the time of the house, because I am sure the house will realize from whom it comes and how little attention it should pay to it.

Mr. Ellis: Mr. Speaker, I think it is a sad commentary on the condition in which the Liberal party finds itself when Liberal spokesmen find their own words so difficult to take just a few days after they are spoken. I think I have put a proper interpretation on what the Minister of Trade and Commerce said. If the hon. member takes exception to that interpretation, that is his privilege. I am quite prepared to let the record stand and let the people judge for themselves on that score. I do suggest that the hon. member who has just taken his seat has shown quite clearly why the Winnipeg *Free Press* was quite correct in characterizing him as having a western face and an eastern face, because when he was leader of the opposition in the Saskatchewan legislature he stood up and voted for the very thing he is now attacking and opposing. It all depends where he is located when he is forced to take a stand on a matter of this kind.

Mr. Knowles: He suffers from schizophrenia.

Mr. Ellis: I have referred to the Saskatchewan wheat pool, the Saskatchewan farmers' union, the federated co-operative and the legislature of Saskatchewan. I could mention the Liberal politicians of the west. Mr. McDonald made the statement that this legislation was as effective as a stirrup pump in a forest fire. Mr. Prowse damned it with faint praise recently on a television program. Private members go out to their constituencies and label this legislation as being unpalatable. And yet, the Minister of Trade and Commerce tells this house that we are not accurate and are not voicing the feelings of our people back home. But beyond that, Mr. Speaker, I am quite willing to look into the grass roots to the thousands of people throughout the province who are sending in their representations.

A return was brought down in this house just recently, sessional paper No. 193, containing certain correspondence that was received in this connection. You will find that those communications are from rural municipalities in the province of Saskatchewan, many of whom have reeves and councillors who are not supporters of the C.C.F. Many of them are quite active supporters of the Liberal party. I have been going through this return and I find communications from the Easton board of trade, from the rural municipality of Moosomin, from the constituency represented by the hon. member for Qu'Appelle federally, and also from the constituency represented by the leader of the Liberal party in Saskatchewan, from the rural municipality of McLeod, from the rural municipality of Buchanan, from the international woodworkers of America, the Prince Albert branch. We have representations from the Saskatchewan farmers' union, the wheat pool committees, and so on.

The following resolution was passed by the wheat pool committee held in Lanigan:

> The Lanigan wheat pool committee unanimously agree that the proposed bank loans available to farmers, up to $1,000 at 5½ per cent interest is definitely unsatisfactory and unjust.

This came in before the details of the new legislation were known. I continue with the letter:

> The Lanigan wheat pool committee strongly recommend:
> That the dominion government make an advanced payment of $1 per bushel on a 4-bushel quota on the 1955 crop.

The rural municipality of Manitou Lake wrote a letter along the same lines. There is a telegram from the farmers' union, subdistrict 5. There is also a letter from Whitewood, Saskatchewan, containing a resolution of the east central motor dealers association. Quite naturally, the central motor dealers association are concerned about payments on their cars. They want to sell cars, and they know that so long as the farmer is not able to get cash for his wheat he is not going to be able to pay his bills.

There is a letter from Stoughton, Saskatchewan; there are resolutions from municipal councils and from the rural municipality of Happyland.

One could go through these letters by the hour and read over the resolutions that came from rural municipalities. There were so many representations, Mr. Speaker, that when this return was asked for permission was granted to summarize some of them. If that were not done we would have received a mountain of a return.

There were approximately 35 telegrams. This is a sample telegram from North Battleford, and reads as follows:

> Resolved that the council of the rural municipality of North Battleford No. 437 go on record as

favouring cash advances on specified acreage of farm-stored grain in preference to guaranteed bank loans . . .

Thirty-five telegrams along that line were received. I find here a sample letter which more or less summarizes 165 letters received by the government along the same lines. I note here a letter from the rural municipality of Sutton, Saskatchewan. There were approximately 165 letters of this type received, Mr. Speaker. This letter is dated November 7 and reads, in part, as follows:

At the meeting of our council on November 1 the following resolution was passed unanimously: "That we protest the proposed plan of guaranteed bank loans to farmers as being totally inadequate . . .

Then, there were petitions to the government of Canada. One hundred and nine of these were received containing 3,256 names in connection with the matter now before the house.

The other day the Minister of Trade and Commerce suggested that we are representing only a small group from the prairies. In the light of the representations that have been made from every responsible farm organization in my province—and they have asked in each instance for cash advances to the wheat board—and in spite of this mountain of evidence, the minister still persists in his attitude and belief that the government has some support for this measure on the prairies. I suggest, Mr. Speaker, that the silence of their own supporters is mute testimony of the unpopularity of this legislation. Do you mean to tell me, Mr. Speaker, that if we were wrong, that if we were sticking our necks out, we would not be jumped on by private members from the prairies? We have not heard from some of them. One or two have taken part in the debate. I say this with all respect to the hon. member for Rosthern. He has been carrying the load for the government in this respect. He has been the work horse for the party in trying to put this unpopular measure across in the house. All credit should be given to the hon. member. But I find it very difficult to believe the Minister of Trade and Commerce thinks that we are in the wrong and they are in the right in view of the silence, whether it is enforced silence or voluntary silence on the part of his supporters, because if there was any great doubt in their minds about the feeling back home they would not lose any opportunity of jumping into this fight with both feet and belabouring the members of this group.

This debate has brought out only too clearly the fact that we have conscientiously, and I think faithfully, interpreted the wishes of agriculturists, the people who are represented by many members of this group. Although we were the only group to vote against the resolution I am very pleased to see that as a result of our leadership we have been able to persuade other opposition members to join with us in opposing this measure at this time.

Mr. Howe (Port Arthur): They follow anybody.

Mr. Knowles: In due course maybe the Minister of Trade and Commerce will follow our leadership, too.

Mr. Ellis: Mr. Speaker, I think the minister and his supporters would find it extremely difficult to argue now that the wheat pool is not for cash advances through the wheat board, that the farmers' union is not opposed to this legislation in principle and in favour of cash advances through the wheat board or the federated co-ops; and I suggest when this matter is brought before the Saskatchewan legislature within the near future every member in that legislative assembly will be standing up, and that includes the 11 Liberals in the house, and voting for the amendment to be moved by Mr. Ed. Walker, the C.C.F. member. When that time comes it will be the best testimony there is—

Mr. Speaker: May I point out to the hon. member that he has already made the point which he is repeating now—

An hon. Member: Four times.

Mr. Speaker: —and besides repeating a point that has already been made I think he has been dealing and he is now again dealing too much with matters that refer to provincial legislatures.

Mr. Ellis: Just to set the record straight, may I say that that was my concluding sentence. I simply summed up in one sentence and had taken my seat. That was my concluding sentence.

Mr. A. B. Weselak (Springfield): Mr. Speaker, this debate is now in its tenth day and I can sympathize with the hon. member for New Westminster (Mr. Hahn) when he wonders who is right and who is telling the complete truth. I can also sympathize with the hon. member for Selkirk (Mr. Bryce), who spoke in this debate and placed the problems of his constituents before the house. Our two constituencies in the last two or three years have suffered comparable crop losses. Our problems are, I think, far more serious and far more difficult of solution than others which have been placed before the house.

The opposition has repeatedly stated before this house that there was unanimous agreement among the farm organizations and farm leaders as to how this money should be made

available to the farmers. I think that, in order to bring this debate into its proper perspective, the events leading up to the meeting with the federal cabinet in October should be reviewed, because the decision of the government concerning cash advances was made as a result of a delegation which came to Ottawa to present the problems of the western farmer to the federal cabinet.

When I think of this problem I recall a meeting that was held in Beausejour in December and was attended by the hon. member for Dauphin (Mr. Zaplitny) and the hon. member for Brandon-Souris (Mr. Dinsdale). At this particular meeting Mr. James Patterson, president of the Manitoba farmers' union, spoke at length on the matter of cash advances. I made rather comprehensive notes at that meeting and have since reviewed them. Mr. Patterson stated that the farm leaders were far from unanimous when they came to Ottawa to meet the federal cabinet. He stated they were far from unanimous when they discussed the matter at the Saskatoon conference.

Concerning the Saskatoon conference a special dispatch appears in the Winnipeg *Free Press* of September 28 which reported what transpired at the meeting. The following is reported:

> Bank loans up to $1,000 based on grain to be delivered to elevators and guaranteed against loss by the federal government was suggested by President J. H. Wesson of the Saskatchewan Wheat Pool as the means to alleviate the emergency financial problem of western farmers. He said the federal government should be asked to pass an act similar to that of 1951 which provided emergency financial assistance to farmers in difficulties. That year the crop was snowed under and farmers could not harvest.
>
> Mr. Wesson said the Wheat Pool did not agree with the suggestion of interest-free loans to farmers, but the interest should not be exorbitant. The banks would grant some loans now, but were "choosey" of their debtors and the five per cent interest was too high. He thought the government should pass the legislation and there should be an arrangement between the Bank of Canada and the chartered banks whereby the loans to farmers be on a two or 2½ per cent interest basis. The loans could be made on the basis of the grain the farmer would probably deliver and entered in his quota book. The federal government should take the loss, if any.

The following day a further dispatch appeared which reads as follows, and I quote from the Winnipeg *Free Press* of September 29:

> The farm conference here Wednesday urged the federal government to make immediate provision for advances to farmers on grain they had in store, up to the value of half the normal delivery expected, or four bushels per cultivated acre. These should be repaid on the basis of one-half the value of each delivery made by the farmer.
>
> The two-day conference was attended by governmental officials and representatives of farm, municipal and business groups from the three prairie provinces. It was called by the Interprovincial Farm Union council to discuss grain marketing and possible financial assistance to farmers.
>
> The resolution as originally presented contained a reference to not more than three per cent interest be charged on the advances to farmers. Jake Schulz, president of the Manitoba farmers' union, tried to amend the resolution by striking out the reference to interest and inserting a clause that the advances to farmers be interest-free.

Incidentally, I would state that was the farm union's original proposal and they have since stuck to it.

> Others disagreed with the substituted clause and all reference to interest was deleted in the final draft. It was generally agreed the resolution should be broad so the federal government would understand the conference favoured the principle of advance and the method was under the government's jurisdiction.

Warren Burgess, who I understand is also an ex-C.C.F. member of the Saskatchewan legislature, had this to say:

> . . . interest-free loans would give some big farmers a chance to make money. Under the system as proposed by Mr. Schulz, a farmer not in difficulties, could apply for interest-free loans and then put the money advanced into government bonds.
>
> For this reason J. E. Brownlee, president of the United Grain Growers, suggested there be a flat maximum for these loans or advances. Only those in need of the emergency assistance should get it. J. H. Wesson, president of the Saskatchewan Wheat Pool, had made the same suggestion Tuesday when he proposed re-enactment of the 1951 act which allowed loans up to $1,000.
>
> Mr. Brownlee said time was the essence. The proposal should be presented at the federal-provincial conference next week.

A report appeared in the Winnipeg *Tribune* on the same date and the following observation was made:

> It was generally agreed the resolution should be broad so the federal government would understand the conference was in favour of the principle of advances but wanted to leave the method up to the government.

At the meeting in Beausejour to which I previously referred, Mr. Patterson stated that when the delegation came to Ottawa they expected only to meet the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe) but they were pleased when along with the two ministers they met the Prime Minister (Mr. St. Laurent) and the other senior ministers of the cabinet and received a very sympathetic hearing.

He stated the only thing the delegation could agree on was that cash was needed. When asked by the Prime Minister how much, they simply were unable to tell him. When it was asked how the money was to be made available to them they could not tell the Prime Minister, either.

The truth of this statement is borne out in the Canadian Federation of Agriculture *News*

and Information Bulletin of September-October 1955 which in referring to the brief presented to the cabinet states:

The brief urged the government of Canada to "make immediate provision for advances to farmers on grain in store on the farm, and further that these advances should be up to one half the value of each delivery (of grain) made by the farmer".

The brief did not recommend any one way in which they thought these advances could best be made. Bank loans, wheat board advances, a special credit agency, and a system of advances through rural municipalities have been some of the alternative methods suggested.

It was recommended also that regular bank interest rates were higher than should be charged on such advances, and that the interest rate "if any", should be kept to a minimum.

This is also borne out in the press report of a speech made by the Minister of Agriculture for Manitoba in addressing the Union of Manitoba municipalities as reported in the Winnipeg *Free Press* of November 24, 1955:

Some idea of the confusion which existed at Ottawa when representatives of the three prairie governments and prairie farm groups met Prime Minister St. Laurent and some members of his government to discuss the western wheat crisis was given to the Union of Manitoba Municipalities by Hon. R. D. Robertson, minister of agriculture, Wednesday.

Mr. Robertson said when the prime minister asked him for suggestions, he had to admit they did not have one definite suggestion to make. As a result the representatives of 15 groups presented their personal views on the matter and most of them were different.

Mr. Robertson said he had attended a meeting in Saskatoon before the Ottawa meeting, but many of the resolutions could not be accepted by the representatives of the governments or other groups because they had received no instructions on them.

An hon. Member: What was your idea?

Mr. Weselak: I am just putting the record straight. The report continues:

"It is too bad", he said, "that so many must speak in public—

Mr. Wylie: Mr. Speaker—

Mr. Deputy Speaker: Do I understand that the hon. member is rising on a question of privilege?

Mr. Wylie: Mr. Speaker, when you were in the chair yesterday I tried to quote much the same material as we are hearing today and I was called to order. I do not see why another member should be allowed to quote the same thing.

Mr. Deputy Speaker: There seems to be some confusion on this point and perhaps I should do what I can to clear it up at the present time. The citation upon which such interruptions are based is citation 265 which reads:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

At the present time we are discussing the second reading of Bill No. 82 and any outside reflection upon proceedings in this house with respect to Bill No. 82 would be out of order under that citation. It is not out of order to read short extracts—I emphasize the word "short"—in support of an argument or a motion as long as they do not offend citation 265 or any other rule of the house. There comes a point however when if one were to read at great length—I am sure hon. members will agree—the assumption would be that the hon. member who has the floor was not making his own speech but, as I believe another citation in Beauchesne's third edition points out, was introducing another member into the chamber which of course our rules do not allow.

These rules are difficult to administer and the Speaker or Chairman gives a great deal of latitude to the hon. member who has the floor before interrupting him in order to be sure in his own mind that no injustice is being done to the hon. member. On the other hand, whoever is occupying the chair must consider that there are 265 members of this house and must try to preserve the rights and privileges of all members and keep everyone within the rules.

It was I who interrupted the hon. member for Medicine Hat (Mr. Wylie) yesterday, but I did so because in my opinion I thought the article which he was attempting to read was reflecting upon the proceedings of this house and, under citation 265, was contrary to a line of rulings which have been delivered by Speakers.

Of course, the interpretation of any rule is open to argument at any time, but fortunately or unfortunately, as the case may be, I am the person charged with making the decision. Since I did not interrupt the hon. member for Springfield (Mr. Weselak) it was because I had decided in my own mind that he had not transgressed that particular rule. I trust that this somewhat extended explanation, for which I apologize, will go to some length to clear up this particular point in hon. members' minds.

Mr. Weselak: Mr. W. J. Parker is president of the Manitoba pool elevators and also vice-president of the Canadian Federation of Agriculture. His opinions are highly respected in western Canada.

An hon. Member: He is a rat.

Mr. Weselak: He had this to say in regard to the position of the government:

Credit unions and banks provide the only practical machinery for making the loans. The wheat

board has no machinery to make the necessary advances except through country elevator agents. And, he added, "Elevator agents cannot be turned into bankers overnight".

During the debate yesterday the hon. member for Assiniboia (Mr. Argue) stated that the Trades and Labour Congress and the Canadian Congress of Labour had expressed unqualified support for the proposition that interest-free cash advances should be made on farm-stored wheat. I should like to put the whole statement on the record as it appeared in the press because it has a bearing on the problem.

An hon. Member: What is your own idea?

Mr. Weselak: You have been talking for ten days and I think I can take half an hour. This article which appeared in the Winnipeg *Free Press* of February 20 had this to say:

Prairie farm unions, driving hard for cash advances on farm-held grain, now have powerful allies—spokesman for some 1,000,000 organized workers.

An hon. Member: Who said that?

Mr. Weselak: The article continues:

The heads of the two national labour bodies—the Trades and Labour Congress and the Canadian Congress of Labour—Saturday agreed with farm unions that the need of such payments should be recognized.

TLC chief Claude Jodoin and CCL head A. R. Mosher—whose organizations are soon to amalgamate—agreed also that farmers should get "equitable" or parity prices on all farm products.

In turn, the farm unions, which claim to represent some 200,000 farmers, agreed with the labour chiefs that:

1. All governments should consider legislation to reduce work weeks if automation gains ground in factories, workshops and offices.

2. Minimum wage levels should be raised through federal-provincial co-operation to boost incomes in depressed areas.

3. There should be federal-provincial government studies to make sure that workers and farmers get a "fair share" of the national income.

I thought that both sides of the report should be placed on the record. In placing these facts on the record I am not suggesting that there is unanimous support or unanimous opposition to this legislation. On the other hand, it is quite obvious that when this matter was brought to Ottawa there was very little agreement among those who spoke on behalf of the farmers. The government has been urged repeatedly by opposition members to accept the advice of farm leaders and it has accepted their advice on the matter on which they agreed, namely: that cash advances be made available, repayable on the basis of 50 per cent of deliveries.

In addressing the meeting at Beausejour, to which I have previously referred, Mr. Patterson expressed the opinion that because of the disorganized approach to the problem by farm leaders the government had no justification for doing otherwise than to bring in the legislation it has proposed. In closing I should like simply to say that in the time I have taken I have merely attempted to give a factual record on the matter before the house. I would suggest that hon. members draw their own conclusions in the light of these statements as to whether the government has acted in complete disregard of the unanimous wishes of the farmers of western Canada.

Mr. Tucker: Mr. Speaker, on a point of order, when Mr. W. J. Parker, president of the Manitoba wheat pool, was referred to by the hon. member who has just spoken, I distinctly heard a statement from the C.C.F., "He is a rat." I think it is shameful that a man of the high standing of Mr. W. J. Parker should be characterized in this house by any hon. member as a rat. I think that should be struck from the record.

An hon. Member: Hear, hear.

Mr. Deputy Speaker: Order. May I draw the hon. member's attention to citation 247 of Beauchesne's third edition, which reads as follows:

If a member should say nothing disrespectfully to the house or the Chair, or personally opprobrious to other members, or in violation of other rules of the house, he may state whatever he thinks fit in debate, however offensive it may be to the feelings, or injurious to the character, of individuals; and he is protected by his privilege from any action for libel, as well as from any other question or molestation.

In view of that citation, I have no authority in the matter.

Mr. Weir: Mr. Speaker, on a question of privilege, I want to join my hon. friend from Rosthern (Mr. Tucker) in protesting vigorously against that type of language. Mr. Parker is an old classmate and neighbour of mine—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but in view of the citation I have just read there is nothing I can do in this connection. It is not a question of the privileges of this house.

Mr. Weir: The hon. member should be big enough to withdraw.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, in one way I try to imitate the Minister of Trade and Commerce, and that is in being an optimist. I am going to allow my optimism to run to the length that I am not going to abandon hope that even yet this government may see fit to reconsider its decision and that even yet it may adopt the

course of what I consider to be common sense and what I think an increasing number of people in Canada are considering to be common sense.

We have had the word "filibuster" bandied about. I am not much worried about that. We heard that last summer. We were told last summer it was impertinent for an opposition to take itself seriously. Well, we took ourselves seriously then and we got results.

Mr. Howe (Port Arthur): No one else does, though.

Mr. Macdonnell: It is interesting to observe that some of the things that happened last summer are happening now. That is to say, as time goes on, evidence is accumulating that more and more people are sharing the view we have put forward. I refer not only to the press, though there is evidence from there; I refer particularly to what has been already mentioned, the attitude of a large bloc of labour. I read from the Ottawa *Journal* of February 20:

> Prairie farm unions, driving hard for cash advances on farm-held grain, now have powerful allies—spokesmen for some one million organized workers.

That is the kind of language that I am quite sure the government understands. It may be that even yet we may see, as I say, some more accommodating spirit introduced. We do not raise much grain in Greenwood but we have many common-sense people there. After all, I only represent them here and I am only here because in a large democracy we cannot all gather together as they used to in the old days. What a time the government must have had in the old days when all the citizens of a democracy were present and when government were not able to confine the whole authority to themselves.

I have been just imagining to myself a conversation with one of my constituents in Greenwood. I think that, when he found out the story, he would say to me that we in this parliament are being asked to act as no sensible men in consideration of their own businesses would ever be asked to act—in other words, without the evidence and without talking to the people concerned.

Let us consider the situation at the moment. The question of this bill being referred to a committee if it receives second reading was raised the other day by the hon. member for Acadia (Mr. Quelch), who said, briefly, this:

> We have heard hon. members from all sides of the house give different interpretations of how the farmers really feel about this matter.

How true that is. We have spent almost the whole afternoon arguing about the evidence given by people who are not here and to whom we cannot talk, when it would be infinitely more sensible if we could get them to express themselves. I shall read the rest of this. The hon. member suggested the following:

> I suggest that instead of having to get this second-hand, we should get it first-hand. Let us refer this bill—

At that point the Minister of Finance, who certainly was Johnny on the spot, said:

> If my hon. friend would permit me to answer his question, the answer is no.

There is a bare, bald, stark, unco-operative answer. No reason is given. That is of a piece with the situation at the moment, as I shall try to indicate. As I said, I have imagined myself talking to a constituent and I have imagined him trying to find out what has happened. I can imagine him asking, "What is this bill really about?"

My answer to him: "The wheat farmers of western Canada find themselves in difficulties and they regard the situation as being due to a failure on the part of the government. Representative after representative of farm constituencies has complained."

My constituent asks, "How are you personally going to decide what action to take on this?" My answer: "Well, the matter is being debated between members of the government and members of the opposition, mostly members of farm constituencies, and if the bill is passed it will go to a committee of the whole house."

The constituent: "I suppose the committee will be able to have those interested before it, so that you can form first-hand an impression of the farmers' needs." Myself: "No, there will be no witnesses before the committee. We shall have to take the statements of the Minister of Trade and Commerce and of the representatives in parliament of the farmers."

The constituent: "Do you mean to say there will be no direct contact between the members of parliament, other than the government, and those who are interested in this? Do you mean to tell me there is a curtain between you and the interested parties when legislation is being passed, so that you have no direct evidence, so that the evidence is rationed and filtered? Does that always happen? Do you have no committees that get evidence?" My answer: "We have a large number of committees, and a very usual practice is to refer subject matters to committees. For example, take the revision of the Bank Act. Nobody would ever suggest that that should be done without a committee. As a matter of fact, there will be two or three, perhaps more, bills, even in this very session, that will be referred to committees by the Minister of Finance himself."

The constituent: "How do you explain the Minister of Finance's attitude here?" Myself—

Mr. Byrne: Mr. Speaker, I rise on a point of order. I believe the hon. member is referring rather too often to his copious notes. I would be willing to take the part of the constituent if he will give me his notes, and it would make this dialogue more interesting.

Mr. Fleming: How funny you are. Maybe then you will advocate that it go to the committee, where you will have the chance to ask your questions.

Mr. Macdonnell: I use some notes, but I do not believe anyone in this house will accuse me of reading. I am not able to see any reason whatever for the present course that is being followed. To me it is just silly that we are not to have a committee, apart from the committee of the whole house, which will—

An hon. Member: It has been decided.

Mr. Knowles: It has not been decided.

Mr. Macdonnell: I think the hon. member is at fault.

Mr. Deputy Speaker: Perhaps I should also clear up any misunderstanding there may be on that point. The question that has been decided is as to whether or not the subject matter should go to a committee. The actual reference to a committee has not, I think, been decided by the house.

Mr. Macdonnell: Thank you, Mr. Speaker. That is what I hoped was the case.

Mr. Dickey: How is this relevant to the bill?

Mr. Fleming: You would not know.

Mr. Macdonnell: Let me suggest one or two things that happened here that made this seem so silly. It is only an old-fashioned word that will describe it. Last night we had a long controversy as to the effect of the report of the Saskatchewan royal commission on agricultural and rural life. As I say, we had a long dispute between the hon. member for Regina City (Mr. Ellis), the Minister of Trade and Commerce (Mr. Howe), and particularly his parliamentary assistant. It was a battle of quotations. I thought that the hon. member for Regina City won but that is not of any significance. The point I am making is that the sensible thing would be to have these people here if they are going to be quoted so that we will not have one member saying they meant one thing and another member saying they meant something else.

[Mr. Macdonnell.]

I thought it was a most unedifying and stupid performance, and I will bet my shirt, if that is not unparliamentary, Mr. Speaker, that when the Minister of Trade and Commerce was in business he would never have entered into a business arrangement on somebody else's say-so of what somebody else believed. He would want to talk to the parties concerned. As a matter of fact, Mr. Speaker, it almost seems to me, if I am correct in my analogy, and it may appeal to a professional man like you, like having a case in law where the plaintiff is not allowed to appear and give evidence and where counsel go on arguing and arguing and talking to the jury without the real people being allowed to be there.

Mr. Howe (Port Arthur): May I ask my hon. friend if there is any better representation of the farming community than the elected representatives from the area?

Mr. Macdonnell: That, I suggest, is not the point.

Mr. Howe (Port Arthur): You want to pick them.

Mr. Macdonnell: My point is that we want to have a committee of the house investigate the matter. The committee then won't have to hear a dispute between the Minister of Trade and Commerce and the hon. member for Regina City as to what somebody else meant when he said something nor all these references to page this and that. They want the man himself so they can cross-examine him. Incidentally, the calling of the committee will result in more evidence being made available to the public, and the public are interested.

Mr. Knowles: Will the hon. member permit a question? In view of the interjection of the Minister of Trade and Commerce, I wonder whether he would ask him if he would have the matter referred to a committee consisting of the members from the three prairie provinces and let them make the decision.

Mr. Macdonnell: I am a co-operative man and I am always glad to get assistance. I associate myself with that question. There is another thing which seems to me equally silly, and I apologize for using that old-fashioned word. The other day we were actually asked to give weight to and act on a pure negation. We were told, and of course I take the word of the hon. gentleman, that some farm organization—I forget the name of it and it does not matter—had been here, had been in touch with the ministers and had not said a word about this matter. I do not know what that was expected to prove. I do not know what we were ex-

pected to do as a result of that statement. We would need to know a whole lot more about the discussion. We would need to know a whole lot more about who were there. We would need to know a whole lot more about the attitude of the two ministers because the Minister of Trade and Commerce and the Minister of Agriculture (Mr. Gardiner) are pretty cocky roosters when they are on their own dunghill. I would say they might be very difficult to stand up against and I would have been very interested in being present at the conference although I would not expect to have my evidence taken as a fair report of everything that had happened there.

But that is the kind of evidence we are given and that is what makes me say again that this is silly. Why this bill should be picked out, why witnesses cannot be heard when they will be heard in perhaps half a dozen other cases this session, I do not know, and I have not heard any explanation being given for that action. As a matter of fact, though I know that hon. gentlemen opposite are triple-proof against really taking an interest in what we take an interest in, namely, the position of parliament, I think anyone as intelligent as my constituent in Greenwood, although my friend from Kootenay East did not think I was really representing them properly, would take this matter seriously.

As I have said, here we are asked to take an action that no reasonable man would take, to decide something without the evidence and merely have the evidence presented to us by somebody else. No sensible man would do that. In any other context of life no one would be asked to do that. So I say this is further evidence that parliament has sunk pretty low, and I am going to venture to read two or three sentences from the great parliamentarian of our age. I would ask hon. members to listen to this and particularly to one or two phrases of what I shall read. I would ask them to ask themselves honestly whether we are in that position or in anything like that position.

Mr. Studer: Is he talking about bank loans?

Mr. Macdonnell: No, he is talking about parliament and I am venturing to talk about parliament too.

Mr. Deputy Speaker: Order. May I remind the hon. member that after all we are talking about bank loans and Bill No. 82. I was forced to interrupt another hon. member on the same point the other day, and I hope the hon. member for Greenwood will co-operate with me.

Mr. Macdonnell: Well, Mr. Speaker, I do want to co-operate, and I am hoping that even yet the refusal of the Minister of Finance (Mr. Harris) the other day, which did not seem to me really down his alley and was not worthy of him, may be changed. Quite frankly, I have very little more to say, but I am trying to make the point that what is being done now is another act of disrespect and disregard for parliament. The fact that my friend wishes to stop me makes me realize how far we have gone. I propose to quote two or three sentences from Churchill.

Mr. Deputy Speaker: Order. The hon. member has indicated in advance that the quotation he proposes to read deals with abstract ideas of parliament, and after all we are dealing with a bill, the principle of which is very confined. I must ask the hon. member to co-operate with me and confine his remarks to the principle of the bill.

Mr. Macdonnell: Well, Mr. Speaker, of course I must do what you say, but may I suggest to you that everything we do is governed by abstract ideas and that all I am hoping to do is to suggest an abstract idea which, if put into effect, might cause a change of action on the part of the government. As I said, Mr. Speaker, I wanted to refer to a few words of Churchill, and unless you prohibit me I should like to read them. They are very brief.

Mr. Deputy Speaker: If the hon. member will give me an assurance different from the assurance he has already given the house and will say that this extract has some bearing on Bill No. 82 then of course I cannot interrupt him in advance. However, it seemed to me he indicated quite clearly that his extract would deal with another matter, and that is the reason I rose.

Mr. Macdonnell: Here it is, and it is very short.

Some hon. Members: Order.

An hon. Member: Oh, let us hear it. Get it on the record.

Mr. Macdonnell: He said:

> I see the houses of parliament—and particularly the House of Commons—alone among the senates and chambers of the world a living and ruling entity; the swift vehicle of public opinion . . . I regard these parliamentary institutions as precious to us almost beyond compare. They seem to give by far the closest association yet achieved between the life of the people and the action of the state.

It is that last phrase on which I want to comment.

Mr. Deputy Speaker: In order that these questions may be cleared up as far as possible, and I seem to be doing a lot of clearing up this afternoon, may I say that now that I have heard the quotation I think the hon. member for Greenwood was right when he first said that it dealt with an entirely different matter and I cannot see that it had any relevancy to the bill before us.

Mr. Macdonnell: Mr. Speaker, I do not think I said that it dealt with an entirely different matter but I am not going to persist further. I should simply like to say that I believe the points I have been trying to make, even though they sound like idle tales in the ears of some gentlemen here, are practical. I believe they have a great practical bearing here. I believe they have a great bearing on what we are going to do with this particular bill.

It may take time. I would say that the fact that these suggestions are regarded as of no value, that people do not want to hear them, shows how right we are when we say that the conception of parliament is fading and becoming very dim. I believe the time will come when these things will be practical. I still hope that the government, in what I hope will be a venture into wisdom, may decide in this case that they will not treat us like a lot of children but rather that they will have a committee which can see the parties interested in this matter and not have a curtain drawn down between those who are trying to act and those who should be given the information on which they are acting.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, it is now so long since I spoke on the resolution that I can hardly convince myself—in spite of what I hear—that we are still discussing the question and if I may be permitted to say so, are straying about as far away from it as we can. At that time I took half an hour to try to convince the house that there is only one matter under consideration when we are dealing with Bill No. 82. It was not before the house then and I could understand the position taken at that time—the bill had not been seen—namely that there was a special condition which arose last fall and which required to be dealt with.

The government decided that the better way in which to deal with the question was to have loans made by the banks. The government decided that was the quickest, the cheapest and the most effective way of dealing with the question. There never was any decision made, when that point was reached, as to whether the final way to deal with the wheat question was to have advances made on the grain that is on the farms. That question was not under consideration by the government at that time at all. The question under consideration was the quickest way of getting into the hands of the farmers cash which they could use in order to pay their accounts.

It was also well known that there were many who said that the quickest, the cheapest way and the best way from all points of view to have that done, was to have these loans put out by the banks. There were, of course, others who said otherwise. There were those who said that perhaps it could be done in some other way better than that. But the question that had to be decided by the government was this: Are we going to do it in some other way or are we going to have that particular thing done in the manner provided in this bill. It had no relation whatsoever at that time to the long-term policy of the government in relation to the handling of wheat or in relation to the handling of the surplus of wheat and so on.

As I stated, the decision was made to do it through loans obtained from the banks.

Back in 1951, there had been on the statute books an act which made certain provisions to do the same thing,—not for the same reasons but to do the same thing—namely to provide with cash the farmers who desired it and had to have it. Because there were very few of them who took advantage of it and because not a very considerable amount of money was involved—I think some $600,000 went out under that system—some suggestion was made that it did not do any good and had not any particular purpose. After all, some $600,000 is quite a lot of money. If put out in sums of less than $1,000, it takes care of a considerable number of farmers. From that point of view this legislation naturally suggested itself to a great many people. They said, "We have already had experience under it in 1951, and now it can be brought into effect again."

It is true that that legislation, as it was drafted at that time, was not functioning fully when the matter was discussed last fall. It was still in existence, and still on the statute books, but there was a termination date with respect to the time that it would operate. Hence it was suggested that we operate on a similar principle. That was at once taken to mean many things. Some people said, "It means that you can borrow only $1,000". Some people said, "The interest rate is going to be 5½ per cent". As was indicated a few minutes ago by the hon. member for Regina City (Mr. Ellis), when he started to read his letters he found that some of those letters were written under those

circumstances when the question which was being discussed was not the question which is now before the house.

The present bill makes provision for loans up to $1,500. The present bill states that the interest rate is 5 per cent. The present bill also indicates a method by which the money is to be paid back, namely that half of the money obtained for the wheat from month to month over the period that the loans are out can be retained by the farmer with which to carry himself along. In other words, it is not the same legislation as that which was being discussed in those earlier days. This legislation is now known to the farmers and is understood by them. I therefore do not think we are gaining very much by going back and discussing what people thought at that time.

As a matter of fact, hon. members also know that—and probably I used the wrong term, as I am accused of doing sometimes—in the earlier part of the discussion when I made reference to regulations, somebody asked a question afterwards whether there had been any change in regulations and the answer was no. The fact is this, and everyone who knows anything about the situation out west knows it and if they presume to discuss the question from the western point of view they should know something about it, the fact is that the first statement which came out, and which was submitted by the banks to the farmers who applied for loans, was not satisfactory.

The Department of Finance called together a meeting in the city of Winnipeg. That meeting was attended by finance officials, by the solicitor for the wheat pool in Saskatchewan and by many others. They redrafted the statement which was put out to the farmers and reconsidered some of the conditions that had been put on under the first statement. One of them was as to whether the applicant agreed to pay taxes out of this loan before it would be made. Another one was as to whether loans that had been made by banks for other purposes should be taken under consideration. One was as to whether they had to examine the records at land title offices throughout the prairie provinces before they could make the loan. Those inconveniences were all removed within a few days and a new form was gotten out. Most of these resolutions that are paraded here in connection with this discussion were resolutions passed prior to the bringing out of these new forms, and the attitude today in the western part of Canada is not the same as it was at that particular time.

Then again it has been said that farm organizations believe this and that farm organizations believe that, and that you ought to call the farmers in here before a committee. There are 250,000 farmers growing wheat. To conceive of the idea of getting in a hearing before a committee of the house a sufficient representation or a more complete representation than is sitting in this house is just a proposal that could not be carried out in spite of the good intentions of my friend the hon. member for Greenwood (Mr. Macdonnell). It might be good in theory but I venture to say that when you consider an organization that has 11,000 members—and that is true of one of the organizations that has been quoted—from among 250,000 farmers and when you figure that sometimes there are two or three out of the one farm house who belong to the farm organization, even an organization like that does not necessarily speak for the farmers of western Canada. Then, when you take another organization, as was done a few moments ago, which is not farming at all, as a matter of fact an organization which a very few months ago passed a resolution to the effect that they ought to be making oleomargarine, and quote it as an organization that speaks for farmers on every point, I would like to hear something that is a little more in line with what we would expect to decide our vote upon when we are considering a bill of this kind.

Mr. Diefenbaker: What was that organization?

Mr. Gardiner: Oh, if my hon. friends will think back far enough they will all know. I do not need to tell them who it is.

Mr. Diefenbaker: Why is it being made anonymous?

Mr. Gardiner: There is only one of them in Saskatchewan, so the hon. member will be able to find out all right.

The other matter which is of concern is this, Mr. Speaker. A few moments ago the hon. member for Greenwood (Mr. Macdonnell) asked who were those people who were here to see the government. Well, it was the Canadian federation of agriculture, the largest farm organization in Canada and the most representative. After all, the farm organization that was mentioned a few moments ago has organizations in only four provinces of Canada. The federation of agriculture has organizations in every province in Canada. Not only have they organizations in every province in Canada but every single phase of agriculture from one end of Canada to the other is represented in that organization. When someone on the other side of the house said a few moments ago that that

organization is financed by the wheat pool, well, that answers a lot of the arguments that have been put forth in the house in the last few days. If that organization is financed by the wheat pool—and I am not saying it is—or by all the wheat pools of western Canada—

Mr. Ellis: Who made the statement that it was?

Mr. Gardiner: A speaker only within the last few minutes. The statement to the effect that it is financed by the wheat pools proves only one thing, namely, that if they were expressing the views of the wheat pools when they were down here, hon. members on the other side of the house have not been expressing them. I have not any doubt as to what the opinion of the wheat pool was as an organization.

Mr. Ellis: What about their convention?

Mr. Gardiner: I attend their conventions every year on invitation. I am a member of the wheat pool and I discuss all their questions with them for at least one afternoon every year. I know what their views are. I would call the attention of some hon. members to the fact that one of the members of this royal commission is a member as a representative of the wheat pool. Another is a member because he is president of the farmers' union, or was president when he was put on the commission. These men are members of the commission which brought out this report.

Some suggestion was made by the hon. member for Regina City (Mr. Ellis) that the Minister of Trade and Commerce (Mr. Howe) had tried to leave the impression that the government of Saskatchewan was in favour of these bank loans, because of what he said last evening. The Minister of Trade and Commerce did not say anything last evening which would give anyone justification for even making such a statement. He said that this report was being made to the government of Saskatchewan.

Mr. Ellis: He used the word "endorsed".

Mr. Gardiner: He said that this report was being made to the government of Saskatchewan by a royal commission which had been appointed by the government of Saskatchewan. I might say, in addition to that, if hon. members opposite think there were meetings held last fall they should have followed this commission around the province. This commission visited practically every hamlet in the province of Saskatchewan. It met farmers everywhere who would come and talk to them. After having done so they made the report which is on hon. members' desks, and it was submitted to the legislature in Saskatchewan since it met in its present session only about two weeks ago. That is about as up to date as anything one can get on the question.

Let us come back to where we were last evening. With respect to the result of the discussions which took place while they were out on the road interviewing everybody they could, doing just exactly what the hon. member for Greenwood says ought to be done, they say this, in arguing out the question:

> The payment of advances on farm-stored grain would, in effect, be a prepayment of all or a portion of the initial price by the wheat board. Such a program would resemble, in a number of aspects, the commodity loan program of the United States.

They go on to say this:

> One undesirable feature would be the questionable wisdom of making advances freely available to all producers whether or not they are in need of financial assistance.

There could be nothing clearer than that. They say that is the objection to following the system, but then they go on to say:

> The principal objection, however, lies in the field of administration. Provision would have to be made for inspection to determine adequacy of storage facilities, to verify quantity, and to determine grade. The additional costs involved would appear to make the proposal of doubtful value as a long-term program.

What hon. members are discussing more than half the time on this particular bill is the question of long-time policy. They are discussing that. This organization says that that particular thing might be most difficult to apply. I repeat, after having done that, after going out and hearing evidence all over the province, hearing all the farmers, that is the summing up of the matter. Then they say this:

> Perhaps a more workable proposal is to re-establish the prairie producers interim financing act of 1951 on a permanent basis.

Well, if my hon. friends think that that is not good for the immediate time, are they prepared to accept it as a permanent policy of this government as something to be applied out west for all time ahead of us? Well, if they are, they ought to be very much more in favour of having it applied for the next six months to try it out. They pretend to be speaking here for the farmers of western Canada in saying that the farmers of that part of the country are opposed to this bill. Then they take this particular report of the commission and quote from it to try to prove that is the fact. I was somewhat astounded last evening when my hon. friend opposite the member for Regina City refused to read the opinion of this organization on the

question that was under discussion. He would read anything else but this. At the end of the quotation I have read, the commission goes on to say:

Therefore, the existing need could probably be met through re-enacting the prairie producers interim financing act as permanent legislation.

They refer to the existing need, not the permanent need. They say the existing need could be met by bringing that legislation into effect.

Let me turn to the conclusions at page 207 of the report. I am going to read all of conclusion 17.

Mr. Ellis: I put it on record last night.

Mr Gardiner: No, you did not. You left out two sentences last night and you left out one today. I am going to read it all just as it is on page 207.

Mr. McCullough (Moose Mountain): May I ask a question?

Mr. Gardiner: I will put it all on and you can follow it as closely as you wish.

Mr. Ellis: It is already on the record.

Mr. Gardiner: No, it is not, not in the form in which I am going to put it on. I am going to put it on the record just as it is written in the report. Conclusion No. 17 reads:

Delayed deliveries of wheat, necessitated by lack of storage space, result in high farm storage expenses and delayed returns to producers. For farmers with limited resources the resulting financial hardship is serious. The proposal that farmers be paid storage for farm-stored grain has considerable merit. In addition, the provision of emergency credit by banks and credit unions, guaranteed by the federal government, would be a useful part of any long-term agricultural program.

A survey—

Here is where my hon. friend came in last night and left out all that precedes this. He comes in with this:

A survey of present storage facilities is urgently required to determine whether new storage is needed and, if needed, where it should be built. In the meantime—

Some hon. Members: Hear, hear.

Mr. Gardiner: Yes, hear, hear. My hon. friend referred that "in the meantime" to the statement he did not read last night but that "in the meantime" does not refer to that at all.

Mr. Fleming: Go ahead and read it.

Mr. Gardiner: It says while they are making this survey of present storage facilities—

—advance payments could be made by the wheat board on properly stored grain on the farm to ease the farmer's immediate cash shortage.

Mr. Argue: You are splitting hairs.

Mr. Gardiner: I have not split any hairs, and if my hon. friend will sit down until I get through he can make any speech he likes providing he has not worn out his welcome already.

Now, the other statement which the hon. member for Regina was asked to read today and which he did not read—

Mr. Ellis: What sentence did I not read?

Mr. Gardiner: I am reading from page 216. Recommendation No. 15 (b) with regard to emergency credit is set in the commission's report:

(b) the recommendations with regard to emergency credit as set forth in the commission's report on agricultural credit be implemented or, alternatively, the federal government re-establish, on a permanent basis, the Prairie Producers' Interim Financing Act of 1951.

Mr. Ellis: Alternatively.

Mr. Gardiner: That is the final recommendation that is made.

Mr. Ellis: Read No. 14 now.

Mr. Gardiner: Yes, "or"; and my hon. friend goes on saying that the farmers are all against us. Well, I have had some very prominent farmers in my office within the last two days. Perhaps I should not say farmers, but very prominent individuals from Saskatchewan have visited me in my office within the last few days. These are men who are having farmers from the communities in which they live drop into their offices hour by hour and by the score, people who are doing daily business with them; and they tell me that the argument that is being put up here on the floor of the house is not correct at all.

Mr. Ellis: Bank managers?

Mr. Gardiner: None of them are bank managers at all. The main objection I heard was the objection I heard when I was in the west. I was in the west myself at the end of the week.

An hon. Member: You certainly were.

Mr. Gardiner: I was in Winnipeg, Regina, Lethbridge, Cardston, and in the Blood Indian reserve. I covered practically all of western Canada in my trip. The chief objection I heard to anything that is going on down here in the house was voiced by a gentleman in Winnipeg, who said the people in Melfort were hostile because the hon. member for Melfort refused to come home to discuss the on to the bay movement and was wasting his time down here making the kind of speeches he has been making. That is at least the opinion of a few farmers.

Mr. Ellis: Well, he was elected to come down here.

Mr. Gardiner: My hon. friend says he was elected. That reminds me of the fact that he threw out a challenge a while ago. He says they are going to be elected in Saskatchewan in June. I have always found it a very good bit of advice to say you had better wait until the election is over and you can probably prophesy more accurately at that time. I am going to say this to him, however, that if they will run the election on this issue and on no other we will lick the pants off them. But I know they are not going to do that. They are going to run the election if they can on everything but the record of the government out in Saskatchewan, and if they are successful in getting away with that they may accomplish something, I am not too sure about that. However, they will find that there are still some Liberals in the province.

Everyone knows that the situation out in Saskatchewan last fall was such that some people needed money and needed it as soon as they could get it. There was no question about that on the part of the people of any political party and there is no necessity of trying to prove it here; but at the same time a great many people knew there would be a small percentage of the farmers of western Canada who would be going into the banks and getting loans.

There are two reasons for this, the first one being that those who could get along without the money would not go to the banks. That is quite natural and it is to their credit that that is the case. Some of those people who were really having a tough time getting along might not go to the banks, but a great many did go to the banks; some 7,000 of them did so before Christmas.

Mr. Howe (Port Arthur): Eight thousand.

Mr. Gardiner: Yes, 8,000 went before Christmas and received loans amounting to some $7 million. Well, $7 million is not something to be laughed at. What is the effect of this bill in relation to that?

I might have agreed last fall with some of the things that were said, including the suggestion that perhaps we ought to call the house together, although there were not a sufficient number of people saying that to have placed a great deal of emphasis upon the contention that we ought to call the hon. members from all across the country to consider the terms of the new bill that was going to be brought in. However, I am quite convinced that the people back home and the hon. members who come here from all across Canada would have considered that a great waste of money not only by the government of Canada but by the individual members who had to come here to decide on one particular matter.

Therefore the government said to those concerned, "Well, in all probability when the house does meet it will pass this legislation", and in spite of what has been said and all the fighting that has been done I know it is going to be passed and there is no question about it.

An hon. Member: Crack the whip.

Mr. Gardiner: My hon. friends wonder how we can say that. We can say that as a result of the last election in Canada, and we will still be able to say it after the next election. So I want to say to my hon. friends that it was not considered to be the best policy or in the best interests of this country to call in over some 270 members of this house and the members of the Senate in addition in order to determine a matter which everyone knew at that time would be passed by this house.

We are here now asking hon. members to pass this bill and our hon. friends by talking for ten days on it—

Mr. Fleming: It has not been ten days.

Mr. Gardiner: —and by saying they are going to go right on talking as long as they have breath left with which to talk about it and remain within the rules of the house, are serving no particular purpose. I do not like to sit here listening to them; nevertheless I do it.

Mr. McIvor: Wasting time.

Mr. Gardiner: We have to hear what they say in any case in order to be absolutely certain they do not say something different when they go home; therefore we sit here and listen to them. Hon. members opposite are here endeavouring to tell this house that the farmers out west are raising a terrible row about this. There is no one in this country I know of who opposes the government who hesitates to say to me all the nasty things he can whenever he has occasion to do so.

An hon. Member: Give them a chance.

An hon. Member: But you keep moving around.

Mr. Gardiner: Give them a chance? I went right across the prairies last week end and I am going back again right across the prairies out as far as Calgary. I expect I will hear some more comments concerning the fact that my hon. friends are wasting their time and ours in Ottawa when they might have been getting this bill through

and into operation. The only thing they are accomplishing at present is to make bank managers hesitate here and there across western Canada before making loans. That is all they have accomplished in the last ten days. A farmer goes into a bank and says, "I want a loan," and the manager says, "Those members of yours in Ottawa are not going to put the bill through".

Mr. Ellis: I thought you said it was going to go through anyway.

Mr. Gardiner: I am sure it is, but hon. gentlemen on the other side of the house have been doing everything they possibly can to make sure that it does not go through. They are trying to convince the farmers back home that it is not going to go through. I would like to suggest to you that one of the reasons some of the farm organizations are losing membership so rapidly is because the farmers do not agree with what some hon. members are saying.

Mr. Ellis: We are not worried.

Mr. Gardiner: The farm organizations in western Canada are not raising a row about this legislation. The only place I have ever heard any row raised about it was when some of my hon. friends of the C.C.F. group on the other side were getting meetings organized. They say that they did not organize them, that they just sprang up, but the fact is that they were getting them organized out there all across the country and were talking against loans. There have not been any other meetings of farmers in western Canada where resolutions have been passed.

The farmers of western Canada want to make use of this bill; not all of them of course, because all of them do not need the assistance provided by this bill. But the farmers in western Canada who are in greatest need of assistance want this bill and they want it as soon as it can be put through. I see the hon. member for Humboldt-Melfort (Mr. Bryson) shaking his head. Well, I saw people in Melfort shaking their heads back in 1931 when they got $5 per acre when they had grown a lot of wheat. I know that farmers up in that section of the country are not supporting the position which is being taken by members in this house.

When the election is held in western Canada, as it will be sooner or later, I imagine that there will be fewer words said about this legislation than about anything else that has been under consideration in this country. Why will that be? That is if it is left to my hon. friends opposite to say the words. They are saying that members from Saskatchewan, from Manitoba and from Alberta ought to get up and talk about this legislation. They are simply telling you, Mr. Speaker, that they have not convinced the rest of the members of the house that they are giving us a proper report on western Canada. They are appealing for support of hon. members on this side of the house in order to put over a plan which they have in their minds. When they go back and try to explain the fact that for ten days they have asked the people of Canada not to provide loans to the farmers out west, that for ten days they have been threatening somebody that they should change their minds down here those members will change their minds.

A few minutes ago the hon. member for Greenwood (Mr. Macdonnell) spoke and said that they do not grow much wheat in his constituency. I think he could have said that they could not grow any wheat in his constituency. The wheat growers of the west are dependent upon men in his constituency. Most of the men interested in the financial institutions of western Canada live in Toronto and Montreal. Those men have looked over the whole situation and they are prepared to lend money to farmers under this bill.

Now we are told that we should not do it, that the farmers should not get it, that we should bring all the farmers down here before a committee to say what they think. If that were done there would be a lot of Tories who would be going back home and keeping quiet for the rest of the session. These farmers in the west have members here to express their point of view. If my hon. friends on the other side of the house are not able to express that themselves and are appealing to Liberals on this side of the house to express their views on the question, well may I say that I have expressed mine in a previous address on the resolution and I am expressing them again. The hon. member for Assiniboia (Mr. Argue) was kind enough to say yesterday that I always have sufficient nerve—he called it courage but I will call it nerve—to speak to any meeting. I would not hesitate to go to any meeting in western Canada and meet any group of farmers and lay my point of view before them.

I repeat that the gentlemen who formed this royal commission were looked upon by the government of Saskatchewan as being the outstanding agriculturists in that province. They wrote this report and I have not any doubt that this report will be referred to in the debate that is going to take place as a result of the resolution introduced into the legislature which the hon. member for Regina City (Mr. Ellis) read a few minutes ago. But

I am just as sure that when the resolution is discussed this report will be discussed too. I have no doubt that there will be more support for this report in the legislature of Saskatchewan on both sides of the house than for what members are saying here.

This is a reasonable report got out by people who represented different organizations of farmers. One was a professor of agriculture at the university. Another member was a leader of one of the co-operative organizations that were referred to. Another was a member of the board of the wheat pool. Another was the president at one time of the farmers' union in Saskatchewan.

An hon. Member: And a farmer's wife.

Mr. Gardiner: Yes, and a farmer's wife. That is a pretty good committee and they have made some very sound recommendations. One of the soundest recommendations was that there should be provision for farmers getting guaranteed farm loans from the banks in western Canada. That is what this bill proposes, and it proposes nothing else. My hon. friends go on discussing all kinds of things. The hon. member for Dauphin (Mr. Zaplitny) laughs at that, but I have said on one occasion before that this is not a laughing matter. This is a very serious matter with the farmers out west.

By this method they will be able to get money, and yet there are those who are trying to prevent them getting that. I repeat, no one on this side of the house, no one in the government, no one connected in any way with this measure has ever said that it will solve anything else but the matter of getting money quickly into the hands of farmers.

Then it will be found by the bill which comes up next that the government has gone on to say that it will pay storage on anything over the average amount of wheat which has been in the elevators for a term of years. Has anyone on the other side of the house made any objection to that? Of course they have not. They have all said they are going to vote for it. As a matter of fact I would rather expect that if some day some time there was some provision made for some kind of support for grain that has to be left on the farm, they will all support it. They will go even farther than that and say that when this bill was before the house they gave the government all the ideas that there are in existence in connection with this particular trouble.

I have watched them in operation. That is the way they always operate. They try to bring up everything they think the government may do some day so that they will be able to say that they thought of it first. I am accustomed to that kind of argument, but the quickest way to satisfy the farmers of western Canada is to put this bill through and get it into operation so that when a farmer walks into a bank and asks for a loan the banker can say that with this legislation in effect he can give the farmer the assistance he requires.

The sooner that is done the better it will be for C.C.F. members. I should not say that because it might be worse for Liberal candidates if the C.C.F. members showed a little sense from now on, but nevertheless I give them that advice for what it is worth. Put the bill through, get it out of the realm of discussion among some 20 members of the house. Let us get on with our business.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, in taking part in the debate on this amendment, following as I do one of the greatest orators, or I would like to say politicians Canada will ever know, I feel rather humble. But I am not prepared now, nor have I ever been and I hope I never will be, to accept his advice. I am ready to agree that if we must have a Liberal federal Minister of Agriculture perhaps the hon. gentleman holding that portfolio at the present time is one of the best we can ever expect to have.

I would like to point out to the right hon. Minister of Agriculture that you do not find many farmers interested in bank loans around the Bessborough hotel or the Fort Garry hotel or the Palliser hotel or the other larger hotels in western Canada. For that reason I was not too greatly impressed with the observations he made regarding the contentment that exists among the farmers of the west at the present time.

An hon. Member: Not flying by T.C.A., either.

Mr. Smith (Battle River-Camrose): I would also like to point out to my hon. friends to my immediate right that we in the Social Credit group have not yet reached the position where we are prepared to take too much guidance from them. We did support this particular bank loan legislation in the resolution stage because in our opinion that was the proper thing to do. We did so because at that time we did not know the terms of the bill. When the terms of the bill were exposed to us, we ourselves changed our course and no one gave us any guidance. Let us keep that point clear. It was suggested that perhaps our position had changed. I would point out that on January

16, speaking in this house, I quoted from a report of the Social Credit caucus held in Edmonton, as follows:

> The present federal policy with respect to loans on farm-stored grain is entirely inadequate and the proposal to put the farmers further into debt at 5 per cent interest is unfair and unjust when all the circumstances are taken into consideration. Not many farmers will be able to qualify for the full amount of the loan. Even if more of them did, the amount would not be sufficient in many cases to take care of the debts incurred in putting in and taking off the crop.
>
> We believe the federal government should make it possible for the Canadian wheat board to make cash advances to farmers against grain stored on the farm.

I maintain that that was our position at the opening of this discussion and has continued to be our position all the way through. We are in favour of this amendment which proposes to give it the six months' hoist, simply because we do not feel that the bill meets the wishes of the farmers of the west. Regardless of what the right hon. Minister of Agriculture has to say about farmer opinion in the west, we are not prepared to agree with him on that score.

We do not like the bill for several reasons. We feel the interest charge on these loans is far too high. Taking into consideration that the wheat board, for example can borrow at 3 per cent, we cannot see why farmers of the west should have to pay 5 per cent.

Again, the penalties for non-payment of the loan are in our opinion far too severe. Again, the bill itself does not give money to the younger farmers of the west who are just getting started. The other day I was able to convince even the Minister of Trade and Commerce that this was true.

During the course of the discussion, however, one very interesting thing has occurred. I am referring now particularly to the admission the right hon. Minister of Trade and Commerce made the other day in reply to the hon. member for Acadia (Mr. Quelch). The hon. member for Acadia was speaking about the storage problem under this bill, and he had this to say, as recorded on page 1315 of *Hansard*:

> However, under this act he is not allowed to put that wheat into storage. Therefore, any farmer who has borrowed under this legislation, and who in order to get a fair grade tries to put his wheat into storage until such time as a grade has been arranged, puts the elevator agent in the position where he can be prosecuted if he allows the grain to be stored.

In reply to this comment by the hon. member for Acadia the Minister of Trade and Commerce had this to say:

> I should like to say, if I may, that the department has taken cognizance of that fact and an amendment will be offered if and when we get the bill into committee which will make it possible to put grain in storage.

That did help some. On the other hand we still feel there are many features to this bill that are not worthy of our support. We are still hoping, by the way, that the government will see fit to agree to the suggestion made by the hon. member for Acadia to refer this bill to a committee so that representations regarding it can be made by farmer organizations from the west.

This afternoon we have heard quite a debate as to what constitutes a farmer organization. The Canadian Federation of Agriculture, the wheat pools, the United Grain Growers, the farmers' unions, and so on, have been mentioned. I maintain that if such a committee were established it would be only right and proper to ask all organized groups of farmers to come before that committee and submit evidence, and in that way this cross-fire we have to listen to here in the house would be eliminated.

In that connection, I have in my hand a copy of *The Organized Farmer*, which by the way is the official organ of the farmers' union of Alberta. We have been told that the farmers of the west are in favour of bank loans. With that statement I do not agree. I know the farmers of the west were opposed to bank loans from the day they were mentioned. Just to bring this point before you at the present time, I wish to quote briefly from the president's report in November issue of *The Organized Farmer*. I might point out that the farmers' union of Alberta is not a small organization of farmers; it is an organization that is composed of over 63,000 members, which is a good percentage of the farmers of Alberta. The president had this to say:

> The new plan for advances to farmers against grain stored on farms has recently been announced. While this will be some help to farmers, the interest rate of 5 per cent is unreasonably high. There is a growing resentment among farmers against the idea of paying any such rate of interest for an advance on our own goods. Many farmers are strictly opposed to taking on a new debt and by so doing making more money for the banks. Why should not our government supply the money through our own Bank of Canada at cost? To go further, why should the wheat board not have access to the money at cost from the same source. It may be objected that this idea is "Social Credit" but so what.

The president went on further:

> Of course the federal government will have to take the responsibility for the plan which they put out. If farmers refuse to use it the government will, of course, say that farmers don't need money. At the Saskatoon conference in September—

Grain

By the way, we have heard a tremendous amount about what happened at that particular conference. Here is the impression of this president:

At the Saskatoon conference in September, farm union representatives and the Saskatchewan minister of agriculture wanted to write a limit of 3 per cent into the plan to be presented to Ottawa. In fact most of them would have preferred to present a demand for a plan without interest at all. However, other opinions prevailed, and the brief presented asked for immediate advances without specifying any particular interest rate. I am now convinced that we should have stuck to our original idea and if the federation of agriculture and wheat pools, etc. would not have agreed, we should have presented our own plan to the government. In this case we conceded the point in order to present a united front for immediate action. In the long run, the other course might well have done our farmers more good.

Some fear has been expressed in parts of the house, Mr. Speaker, that in opposing second reading of the bill we are doing a great disservice to the unity of Canada. With that I cannot agree. All through the years this group has stood for all-out support to the primary industries of Canada. I am certain that throughout the years we have fought hard to improve the plight of eastern farmers. I am certain that we have supported the fishermen and others, and will continue to do so. It just so happens that the particular bill before the house is one that strikes primarily at the pocketbook of the wheat producer of the west. In that regard I ask the house to consider the fact that when the pocketbook of the wheat farmer of the west is affected it does not take very long for this influence to seep right down through the whole of the Canadian economy.

Why must we discuss bank loans? The reason is simply that the farmers of the west cannot market their wheat. We have been told time and time again that one of the reasons for the failure of the farmers to market their grain is the fact that there is a shortage of box cars in western Canada. I have in my hand a letter which I received in the mail this morning, and I wish to quote from it. It reads in part as follows:

The issue is rather confusing. Some places the quota is 2 bushels per seeded acre, others claim 3 bushels. It doesn't matter very much what the quota is. Before a car can be shipped a permit has to be issued by the board, before the railways can supply cars. In talking with one of the C.N.R. operators—

This is a railway employee to whom he is referring.

—I was told that there wasn't any shortage of grain cars, permits to move grain was the hold-up. This fellow also said that not very long ago there were some 800 cars of grain sitting on sidings west of Edmonton waiting for orders to be moved.

[Mr. Smith (Battle River-Camrose).]

We are told, Mr. Speaker, that there is plenty of vacant space in the terminals on the west coast, so in my opinion this adds up to nothing short of inefficiency on the part of somebody, and perhaps even bungling. This afternoon the right hon. Minister of Agriculture was very impressive in pointing out to us that we did not know the opinion of the western farmers. Perhaps we do not know. Maybe he does not know, but I do know that last week a delegation came to Ottawa representing the interprovincial farm union council. In my opinion the interprovincial farm union council represents the best organized opinion of the farmers in five provinces of the dominion, and I only hope the day is rapidly approaching when this organization will represent the opinion of the farmers in the ten provinces. Here is what they had to say about this particular piece of legislation we are now discussing, first of all by way of review of what has happened:

Scores of mass protest meetings, resolutions and petitions that have developed spontaneously throughout the west accurately indicate the degree of dissatisfaction felt in rural areas regarding the guaranteed bank loans on farm-stored grain. It is felt almost unanimously that farmers should not be asked to burden themselves with added debt and interest charges because wheat is not being sold at a sufficient volume to enable the farmer to maintain his cash position.

They go further and discuss the bank loan program in detail. The bank loan program is not being used for a variety of reasons, and they mention such things as banking facilities. They say:

(a) Banking facilities are not readily available in many parts of the prairie provinces.

I know that is definitely true in the province of Alberta. I also know that when the facilities of the Alberta government treasury branches were offered to the federal government, that offer was refused. They go on to say:

(b) The amount of red tape involved in securing acceptance of a bank loan application is so great as to discourage all but the most persistent, and eliminates a good percentage of those who might otherwise qualify.

I should like to add one thing. Those who are most hungry have to go through this red tape as well.

(c) Many prairie farmers today conduct their banking business with credit unions, and the government apparently has made no provision for loans through this source, but has limited its guarantee to the chartered banks.

(d) The practice of banks deducting the value of any grain sold under the initial unit quota or additional small acreage quotas from the maximum face value of a loan means that most farmers can only qualify for amounts so small that they are not worth applying for.

(e) Many farmers dread credit dealings with banks and mortgage companies due to past foreclosures . . .

They certainly do dread such dealings because they only have to recall what happened 15 or 20 years ago to realize just what it meant to them and their families to have hanging over their heads a bank loan which could not be paid.

It has been mentioned that the farmers of Canada are a wealthy group, that there is no need for the people of Canada as a whole to have to subsidize them, and so on. If that statement were true I would not suppose any hon. member would be arguing here for cash advances on farm-stored grain. Of course the truth of the matter is that as a group the farmers of Canada are far from being wealthy.

In the same brief presented to the federal government by the interprovincial farm union council I should like to refer to a table found on page 9 which deals with agriculture and total national income in Canada, 1945 to 1954 inclusive. I have every reason to believe that the table is backed up by authentic statistics, and in it we find that in 1945 the farmers received 11..8 per cent of the national income. In 1946 they received 13 per cent, in 1947 12·8 per cent, in 1948 13·6 per cent, and in 1949 12·8 per cent. Let us go down to the last three years for which statistics are available. In 1952 the farmers of Canada received 11·4 per cent of the national income. In 1953 they received 9·9 per cent and in 1954, 6·8 per cent.

Yet we have some hon. members still trying to convince us that the farmers of all Canada are receiving that which they justly deserve. I trust that other hon. members will get up and speak with feeling on this bill. May I say finally that I would not wish the right hon. Minister of Agriculture to feel for one moment that his harangue had one bit of influence upon my thinking, because I know the feelings of the farmers of my area. I have lived with them all my life. I know their thoughts, and I know that in the west at the present time there is a drastic shortage of money and that bank loans at 5 per cent are far from the answer to the problem.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, we are discussing an amendment by the C.C.F. group to give the six months' hoist to Bill No. 82, which provides for bank loans. In listening to the Minister of Agriculture a few minutes ago, I was most interested in his statement that this measure had been introduced to deal with special conditions. I agree with that statement, and I want to say that the fiasco facing agriculture in the country at the present time lies right at the doorstep of the Liberal party. The reason for this legislation coming before this house is simply and solely the lack of adequate policies on behalf of this government in relation to agriculture in this country.

I do not think the minister convinced anybody in this house by his attempt to place on the record the statement that western farmers were not against this legislation. He took the opportunity of saying that he had just come back from a trip to western Canada. In the Regina *Leader-Post* I notice some comments in respect to the minister's trip out there. Incidentally I might say that he made a statement, or there is attributed to him a statement, with respect to the flood damage. He is reported to have said:

They waited—

That is the Saskatchewan government.

—for us while the other provinces went ahead with what they had to do and billed us later.

This discussion is not within the orbit of this debate, Mr. Speaker, but I want to say that the minister made this statement either deliberately or not knowing the facts. It is a fabrication; and if he knew the facts it is a deliberate lie.

Mr. Gardiner: Mr. Speaker, I do not like the hon. gentleman's language and I do not think you will like it either. It is not a lie and it is not deliberate.

The Acting Speaker (Mr. Applewhaite): I think the hon. member for Moose Mountain (Mr. McCullough) will agree that on all sides of this house it has always been accepted that the expression "deliberate lie" is not used in connection with speeches or statements by other hon. members. I feel quite sure that the hon. member will be willing to withdraw the expression.

Mr. McCullough (Moose Mountain): Mr. Speaker, I am quite willing to withdraw it if the hon. member wishes me to do so.

Mr. Gardiner: Make it outside the house.

Mr. McCullough (Moose Mountain): As I stated, Mr. Speaker, perhaps he was not familiar with the situation prevailing and with the work which the Saskatchewan government has done in respect of it.

Now we have the picture of the farmer being asked to accept bank loans as a measure to relieve his present cash situation. I believe that is an indignity to the farmer. It places him in an extremely difficult position, because it is only going to add to his present financial problem. The Minister of Agriculture stated that to date some $7 million had been loaned under the proposal of the Minister of Trade and Commerce. In my opinion, Mr. Speaker, this is only another load and another debt on the western farmer. If the farmer has to

take a year to pay back that $7 million it is going to impose a load of another $350,000 on the already harassed and debt-ridden farmer of western Canada.

Mr. Speaker, there has been a great deal of talk in the house as to what the farmers in western Canada want. The Minister of Agriculture stated that, when they were undertaking to make some proposal, bank loans seemed to be—and he gave three reasons for the provision—the quickest, the most effective and the cheapest method. I want to say that he never said it was the fairest method, and that is an important issue in this debate.

The present situation facing the farmer is the result of the lack of adequate agriculture policies by this government. I am sure that anyone who is fair-minded, after a perusal of what has taken place, will agree that the western farm organizations and the western farmers generally do not accept this legislation. Last evening the Minister of Trade and Commerce quoted what he called "hot off the griddle" submissions made by the royal commission investigating the position of agriculture in the province of Saskatchewan. As reported at page 1447 of *Hansard* he said:

> The bill was recommended by the farm leaders of the province.

I want to say that statement is not true. It is not endorsed by the farm leaders of the province. If there was any confusion in the early stages leading up to the present situation, then it could have been said that there was not complete unanimity. However, I believe that as discussion in this house and in the country has taken place, the submissions made now by all the main agricultural organizations and farm spokesmen are to the effect that they are asking for cash advances as opposed to bank loans. When the Minister of Agriculture was speaking I asked him to read recommendation No. 14 appearing in the report of the royal commission on agriculture and rural life from which he had been quoting. I now want to quote that recommendation for the record:

> That, in view of the grain producers' immediate need for cash and their present difficulty in selling farm stocks of grain, the federal government promptly establish, on an emergency basis, a system of cash advances on farm-stored grain.

In addition to that, among the people who were on the commission making this submission we have Mr. H. L. Fowler, secretary manager of federated co-operatives. Mr. Fowler now is backing cash advances for farm-stored grain. In addition there is Mr. Charles W. Gibbings, who is another member of the commission and is second vice president of the wheat pool. He is another person who is supporting cash advances. Then there is Mr. J. L. Phelps, president of the farmers of Alberta economic committee. He is supporting cash advances. In addition to that, I want to say that the resolutions which the Minister of Trade and Commerce read last evening were not necessarily final recommendations. It should be noted that in the beginning they said:

> Perhaps a more workable proposal is to re-establish the Prairie Producers Interim Financing Act of 1951 on a permanent basis.

Then later on they say:

> . . . the existing need could probably be met through re-enacting the Prairie Producers Interim Financing Act as permanent legislation.

They were no final conclusions whatsoever. I think I have read into the record the final recommendations which these people made, which is more to the point.

Just recently the interprovincial farm union council came to Ottawa and made their submissions to the government. In an unmistakable way they pointed out that they were asking for cash advances and not for farm loans. I read from page 15 of their brief submitted to the government:

> Therefore, the interprovincial farm union council is continuing to press for adoption of its original proposal (which has been endorsed at the three wheat pool delegate meetings) that the government arranged for interest-free cash advances by the Canadian wheat board on farm-stored grain to the value of 50 per cent of the initial payment on an estimated delivery of 8 bushels per cultivated acre.

I have here also, Mr. Speaker, the Saskatchewan wheat pool's brief and I want to quote from it as follows:

> The current problem of a shortage of farm cash was considered as soon as the annual meeting opened. The delegates went on record in favour of a system of cash advances against farm-stored grain to be paid out by the Canadian wheat board through elevator companies with the federal government assuming the interest on the loans involved.

I think we can all surely agree that we have a preponderance of farm leadership and farm organizations asking for cash advances at this time. I think the debate should rest on the merits or demerits of that proposal, namely whether or not the farmer is entitled to cash advances or whether he should pay interest on any alleviation of his present financial crisis.

I said at the beginning that the present farm economic problem should be laid right at the doorstep of the Liberal party. There has been confusion in respect of deliveries; there has been confusion in respect of box cars. We find that the Minister of Trade and Commerce has made a number of statements in this respect. On January 11 he said:

> The weather is improving and I may say that car loadings are improving.

On January 16 he said:

> The movement of box cars in the west has improved very considerably in the last two weeks, largely as a result of improved weather conditions.

On January 27 he said:

> Our big problem now is not selling, but transportation. If deliveries of wheat by producers this crop year do happen to fall behind last year, it will be because rail transportation is not adequate.

Then of course the Minister of Justice (Mr. Garson) had some comment to make over a Winnipeg radio station. He said:

> Our great problem is box cars. Of these there is a great shortage both in the United States and in Canada.

When the Minister of Agriculture was in the west the other day he made the comment to the press that there was still a shortage of box cars. He went on to say that one company making wheels for the box cars was going full blast. That certainly shows a lot of confusion, a lack of planning and a lack of knowledge on the part of this government. They are not interested in trying to get the grain off the farms into box cars and into elevators.

Then we have the comment of the transport controller, as it appeared in the *Gazette* of February 16. He said:

> There is no shortage of box cars holding up prairie grain shipments.

It would seem that there is a lot of confusion somewhere. The net result is that this year the federal government has failed to move the grain off the farms and to pay the farmers anything for their labour. That is the crux of the whole situation. That is why the farmer has the right to demand that some cash be put in his pocket so he can pay his debts and carry on.

In my constituency I have a number of organizations. The Saskatchewan farm union district convention was held in Estevan. We had around 200 delegates. At that meeting they passed a resolution asking that cash advances be paid to farmers. In addition, at all the public meetings I held resolutions were passed, and there was unanimity in asking for cash advances as opposed to bank loans. The farmers are justified in asking for cash rather than paying interest on loans. I know that in my constituency the average young farmer who started to farm in the last seven or eight years is so short of cash that he cannot pay his fuel bills, his debts, and carry on.

I was at a large livestock feeder sale and talked to a number of young farmers. These farmers wanted to buy some cattle, put them on feed and perhaps make some money during the winter. They had grain on their farms, but simply because there was no movement of grain those young farmers were forced to watch the big feeders come in and buy up the cattle, take them out and put them on feed lots, while they sat back and watched the auction take place without any money to buy livestock.

I remember that a year ago the Minister of Agriculture told the western farmers that if they wanted some ready cash to start raising some more hogs.

Mr. Gardiner: Mr. Speaker, that statement has been made quite often. I did not say any such thing. In reply to a newspaperman's inquiry I said that I raised hogs. I did not ask anybody to raise them.

Mr. McCullough (Moose Mountain): Mr. Speaker, on another occasion I am going to quote exactly what the minister said. He said he was misquoted at the time. He said to some farmers who wanted ready cash, produce livestock. I am suggesting now that the Minister of Agriculture is afraid—

Mr. Gardiner: I did not even say that.

Mr. McCullough (Moose Mountain): —to suggest that western farmers feed some of his grain to hogs and cattle, particularly hogs, because he knows right now the Canadian picture in hogs is pretty blue. He knows also that if the western farmer started to raise hogs it would undermine eastern agriculture to that extent.

We in this group favour justice for all our people in the field of agriculture. We want to see the eastern farmer receive the same justice as the western farmer. We feel that indirectly the subsidy on feed grain going to eastern Canada so the eastern feeder can feed hogs and cattle is of some benefit to the western farmer, but it is mainly beneficial to the eastern farmer.

In respect of the production of hogs, naturally the eastern farmer has an advantage of perhaps around $6 per grade A hog produced over and above the western farmer. We do not mind that. I say to the Minister of Agriculture, if there is a shift in the production of hogs in Canada and the western farmer goes heavily into hog production, he will undermine the eastern farmer who ordinarily is a raiser of hogs. If he does that it will be simply because of the lack of an adequate policy on the part of this government.

In addition, we have the local problem facing many sections of the prairie provinces. We are not going to sit here, Mr. Speaker, and allow this government's policy to go unchallenged. The Minister of Agriculture says he knows this legislation is going to be passed. Of course he does. They have a preponderance of over 70 members in this house

over all opposition members combined. They could send 50 of them home and still carry the legislation.

As a matter of fact, two and a half days after this debate started the Minister of Trade and Commerce said he was sick and tired of it. He said he was prepared to withdraw the legislation until the latter part of the session and then bring it on. He would have to go to the banks and tell them that this bill was off for the present. I know full well that there is a group on the Liberal benches, the private members, who are afraid to rise in their places and speak. As a matter of fact, we have not heard from the Minister of Justice. He has not told us what he thinks would be a good thing for his constituency. Perhaps the Minnedosa meeting, which he attended last fall, has frightened him a bit. I challenge him to tell us what he thinks is the opinion of organized agriculture or of the individual farmer.

The hon. member who spoke before me said that when the Minister of Agriculture goes out west he goes by plane and stays at the big hotels, at the Bessborough in Saskatoon and so on. When he is at these big hotels he is not talking to the farmer who is frozen out in the back concessions and cannot deliver his grain.

Mr. Gardiner: You should follow me.

Mr. McCullough (Moose Mountain): He may be talking to the bankers, but he is not getting the opinion of the farmers. We have had a profound silence from the Liberal members on the other side of the house. I notice that we smoked out a few of them. The hon. member for Qu'Appelle (Mr. Mang) has spoken. It is all to his credit. He did not deal with bank loans. He did not try to give us the farmer's financial position. We have not been able to get the hon. member for Swift Current-Maple Creek to rise.

Mr. Studer: On a point of order, if the hon. member will sit down I will make his speech for him; I know it by heart.

Mr. McCullough (Moose Mountain): That would be the first sensible speech the hon. member ever made. We are always quite prepared to listen to what the hon. member has to say.

Mr. Studer: Sit down long enough.

Mr. McCullough (Moose Mountain): Mr. Speaker, the agricultural position today is a complete fiasco. I think we have a definite right to try to put the facts before this government. They are stubborn; they do not want to listen. Nevertheless they cannot deny the facts. They cannot deny from 1951 to 1955 agricultural income in all sections of the country has deteriorated. It has gone down in the west more than 3 per cent over the general farm economy. It has gone down over 46 per cent in the prairie provinces. Today the western farmer's dollar stands at a parity level of about 46 per cent as compared with the purchasing power of the 1945 dollar.

In other words, Mr. Speaker, since 1945, the time of decontrol, the policies of this government have put the western farmer in an impossible financial position. His costs have gone up and up and the price of his commodities has gone down. That is why today the western farmer is in a cost-price squeeze. There is nothing the individual farmer can do, and there is nothing organized agriculture can do except to come down here and put before this government their plea that we have some kind of planning in this country by which agriculture will get a fair deal.

I noticed a press comment which stated that presumably the Minister of Trade and Commerce is indifferent or will not see the light and take into consideration that because western agriculture today is in such a financial crisis, it will eventually affect the whole Canadian economy. We have heard a lot of optimistic statements from various hon. members of the cabinet but when we ask for adequate policies we get such policies as the one we are presently discussing, namely that the farmer must be expected to go to the bank and be subjected to that indignity, and he must give a lot of information as to his financial position.

This is reminiscent of the hungry thirties. I remember the period in the thirties after we had had a Conservative government and the Liberal government was again in power. Neither of them was able to help the farmers, and I suppose the people of Saskatchewan and the prairie provinces in general were the worst hit. It got so that farmers had to sign this paper and that paper, and I remember a story concerning one farmer who when taking a load of wheat to town jumped off the wagon when he saw a piece of paper floating by and put his signature on it.

That seems to be the behaviour this government expects of the farmer in order to obtain a little bit of cash, in spite of the fact that he has farmed well and has produced wealth for this country and for hungry people abroad where we can perhaps meet the challenge of communism. The farmer is trying to provide adequately and he has done a good job. Despite the fact that he has done this he is faced with nothing short of a ridiculous and unfair policy which says in effect that after he has produced his wealth and put it in the granary he must now go and borrow on it.

I wonder how many hon. members of this house, perhaps in the year 1945, were earning $4,800 a year. I wonder too how they would react if their income today was to drop to $1,800 in terms of purchasing power, and if at the end of the year their employer said, "You are not going to get $1,800; you will have to go to the bank. We will set up a plan whereby you can go to the bank and borrow on your $1,800". That is exactly what the western farmer has to do under this policy.

The western farmer favours an orderly marketing system, he is in favour of the Canadian wheat board and he does not want speculation on food stocks. However, he does believe that this government should get busy and endeavour to sell some of the grain in storage, and that for the welfare of the whole Canadian economy we should have a policy of storing our grain somewhat akin to that which exists in the United States, where the farmer is paid as soon as he produces his grain and places it in approved storage. At that time he can obtain 90 per cent of parity for his grain. In this country we have nothing like that.

Mr. Studer: He reduces his acreage first.

Mr. McCullough (Moose Mountain): We have nothing like that. The farmer is left without any assistance whatsoever. The Minister of Agriculture indicated that the government was prepared to bring in legislation which would provide for some payment on farm-stored grain. The Liberal government will never have any difficulty when we shove them along toward better legislation for the people of this country. That is one thing which we in this group have been advocating since 1945 when I came into this house and I presume hon. members of this party were advocating it before then. Instead of taking an average delivery of 10 or 15 years the government should set up the principle of the normal granary, where we store in the years of plenty for years of scarcity; but no such program is forthcoming.

In closing I just want to say that this government, in spite of its numerical strength in this house; in spite of the threats of the Minister of Agriculture; in spite of what I think is the twisting of the facts of the support of this bill on the part of the Minister of Agriculture, we in this group feel the farmers of western Canada do not support bank loans. They do not want to be forced to go to the banks and pay interest on their money; in fact, they feel it is an injustice.

I am happy to have had the pleasure of being one of those people who have stood up in this house and put forth what I believe to be the contention and the stand taken by the western farmer.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Some hon. Members: Yes.

The house divided on the amendment (Mr. Nicholson) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bennett, Miss
Blackmore
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Gillis
Green
Hahn
Hamilton (York West)
Hansell
Harkness
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McLeod
Michener
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Pallett
Patterson
Pearkes
Quelch
Regier
Rowe
Small
Smith (Battle River-Camrose)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—65.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cardin
Caron
Carter
Cavers
Crestohl
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg

Grain

Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Shipley, Mrs.
Simmons
Sinclair
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)—128.

Mr. Speaker: May I inform the house that in future paragraph 2 of standing order 12 will be strictly enforced. It reads as follows:

When Mr. Speaker is putting a question, no member shall enter, walk out of or across the house, or make any noise or disturbance.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to speak for just a few minutes before the vote is taken on the second reading of this bill. I imagine most hon. members would prefer to have the vote after eight o'clock, anyway.

An hon. Member: No.

Mr. Knowles: However, my purpose in rising is to urge the government to reconsider its announced refusal to send this bill after second reading to the committee on agriculture and colonization or any appropriate committee which the government might choose. Bearing in mind the dislike of the Chair and the dislike of the house for repetition at this stage of the debate, I shall not repeat the arguments for such a course. I merely make the appeal. In fact, I think one might well rest such an appeal on the arguments already made by members of this group, as well as other members, particularly that of the hon. member for Acadia and the argument made this afternoon by the hon. member for Greenwood.

However, if the government feels it cannot send the bill—I am not referring to the subject matter, but to the bill itself—to committee, then serious consideration might be given to the proposition that was enunciated this afternoon by the Minister of Trade and Commerce. He made an interjection during the speech made by the hon. member for Greenwood, which I took down—and I hope I took it down correctly—when he said something like this: "May I ask my hon. friend if there is any better representation of the farming community than the elected representatives from the area?"

The point the minister was making was that we do not need to send this bill to a committee to have representatives from various organizations there because, as he put it, the best representatives of the farming community—the community affected—are the elected representatives on the floor of this house. I made the suggestion, by way of a question which I put to the hon. member for Greenwood, that the minister might then consider seeking the advice of the elected representatives who he has said in his own words are the best representatives of the farming community.

An hon. Member: Please make it snappy.

Mr. Knowles: I remind the minister that the area to which he referred consists of the three prairie provinces. There are 48 constituencies in those three prairie provinces, represented in this house by 48 members. There are 14 of them from Manitoba, 17 from Saskatchewan and 17 from Alberta. Judging by the way those members have been voting on the last two amendments that have been before the house, those 48 members would vote 32 to 16 against this bill.

I submit, therefore, that on the basis of the minister's own pronouncement this afternoon he should not be calling upon the government's majority in the whole house to support a bill which he says might be subjected to the best representation from the farming community, namely the elected representatives from the area concerned. Some hon. members might say that suggestion is not put forward too seriously. I do not recall any occasion on which a committee of the house was set up on the basis of representation from a particular province or particular provinces. Therefore it might not be an appropriate precedent to establish, namely the actual appointment of a com-

mittee representing members from the three provinces named. Nevertheless, in spirit—

Mr. Trainor: An ad hoc committee.

Mr. Knowles: The hon. member for Winnipeg South (Mr. Trainor) says it should be an ad hoc committee. Well, the members of such an ad hoc committee have already spoken in the house. They are two to one against the bill. In view of that fact it seems to me that the bill should not be allowed to pass. But if the government insists on putting it through with its majority, then it does seem to me that the case is unanswerable that it should be referred to the standing committee on agriculture and colonization.

I offer just one other objection to the bill. Although I have not sat here every minute of the debate on this legislation I have tried to follow it closely, and I believe this objection has not yet been voiced. In making this objection may I point out that one of the main reasons we from the prairie provinces oppose this legislation is that we know if it is enacted it, together with the proposal contained in Bill No. 83, will be all that the wheat farmers of western Canada will get in relation to their present crisis. We know that no matter how strong the appeals may be for further legislation, for further consideration of their plight, the fact that these two measures have been passed will put an end to any consideration by the government of the crisis in western Canada.

That is bad enough, Mr. Speaker, when it applies to the present situation. That is bad enough when that is the answer for this year, but I ask hon. members to recognize that in addition the government, through this legislation, is asking for the right by order in council to extend this bill for a second year. That means that if a year from now a situation in western Canada develops which is similar to the situation that now obtains, we will not even have the matter discussed in parliament. There will not be a summoning of a session of parliament as there should have been last fall. Of course not. But there will not even be a discussion in parliament. The matter will be decided behind the closed doors of a cabinet meeting by the passing of an order in council, and once again the farmers of western Canada will be faced with the fact that this is it so far as the government of Canada is concerned.

As one hon. member said a few days ago, 32 of us from the prairie provinces would not be committing political suicide if we felt that this legislation was popular on the prairies. We know that it is not. The fact that, despite what happened in the first vote at the resolution stage, there has been a solid opposition in the votes on the amendments that have taken place, and that there will be a solid opposition on the vote that may now take place on second reading, is in my opinion pretty conclusive evidence as to the views of the people who are affected by this legislation.

The Minister of Trade and Commerce enjoyed making his comments the other day with respect to whether my colleagues in this party were expressing the views of western agriculture, but he cannot deny the fact that the one way the people of the prairies have to express their views on national matters is through the representation they send to this house. He confirmed that this afternoon in the statement that the best representation from the farming community consists of the elected representatives here. Those elected representatives are two to one against this legislation.

Therefore I feel that it should be turned down by the house. But if the government insists on putting it through, surely the least the government can do is to have it referred to a standing committee of the house so that interested bodies may appear and further consideration may be given as to whether this is the way to deal with the matter or whether an effort should be made to find some better way.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to take very long at this time. I have spoken on the bill on other occasions and have expressed my views leaving no doubt as to what I meant. When I was speaking the other day I made a statement with regard to something the Minister of Trade and Commerce had said. The effect of it was that the minister had said there were not very many people who were going to take advantage of these loans. He objected to that statement and said that I should give some proof of that fact. I informed him at that time that I would do so.

The other day I started to quote some passages from *Hansard* which indicate, in my judgment at least, that the minister made that implication on more than one occasion. I had put one reference on the record and then Mr. Speaker at that time, not Mr. Speaker now in the chair, stopped me and said he did not think it was a question of privilege.

I indicated, therefore, that as time went on I would put the remarks of the Minister of Trade and Commerce on *Hansard* to prove my point, and that I would also prove the point I had made regarding the Minister of Agriculture supporting the remarks of the Minister of Trade and Commerce. I want to do this now, and it will not take more than

a couple of minutes. As found at page 129 of *Hansard* of January 16, the Minister of Trade and Commerce had this to say:

> A certain number of producers have found themselves in difficulty this past season, and the purpose of the guaranteed loan was to relieve those smaller producers.

I contended at that time that in referring to a certain number of producers the minister had indicated that no great number of people were intending to take advantage of the legislation. Then I want to quote another passage from the remarks of the Minister of Trade and Commerce. As found near the top of page 129 he said:

> Apart from that—

He was referring to the storage question.

> —it did not seem to me that there was any particular burden on the farmer through this condition of plenty.

Again I say, Mr. Speaker, that the Minister of Trade and Commerce pointed out that because of the surplus situation there was no unnecessary burden on the farmers, and that very few would take advantage of this legislation. To make it more definite, I want to put on *Hansard* what the Minister of Trade and Commerce is reported as having said in Calgary. These are his words, and without doubt I think they will convince the house that the minister did not have in mind that very many people would take advantage of the legislation. As found in the Calgary *Herald* of November 28, 1955, the minister is reported as saying:

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

Then the Minister of Agriculture said just today in his speech, and I wrote down his words at the time he uttered them, that a very small percentage of the farmers will go to the banks for these loans. In my opinion, Mr. Speaker, I did not misquote the Minister of Trade and Commerce. What I said was perfectly true and I still stand by what I said the other day with respect to what the minister had said.

The house divided on the motion (Mr. Howe, Port Arthur), which was agreed to on the following division.

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Balcom
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cardin
Caron
Carter
Cavers
Crestohl
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robinson (Simcoe East)
Rochefort
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Shipley, Mrs.
Sinclair
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)—125.

NAYS

Messrs:

Aitken, Miss
Argue
Barnett
Bennett, Miss
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Green
Hahn
Hamilton (York West)
Hansell
Harkness
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Knight

Knowles	Pallett
Leboe	Patterson
Lennard	Pearkes
Macdonnell	Quelch
MacInnis	Regier
MacLean	Rowe
McBain	Small
McCullough (Moose Mountain)	Smith (Battle River-Camrose)
Michener	Trainor
Montgomery	Tustin
Murphy (Lambton West)	White (Middlesex East)
Nesbitt	Wylie
Nicholson	Yuill
Nickle	Zaplitny—61.

Bill read the second time.

Mr. Speaker: Will hon. members agree to send the bill to committee now and perhaps make up for the time lost by meeting at 8.15 this evening? Is that agreed?

Some hon. Members: Agreed.

The house in committee, Mr. Robinson (Simcoe East) in the chair.

The Chairman: The house in committee on Bill No. 82, to provide for short-term credit to grain producers, and so on.

It being six o'clock I do leave the chair. May I remind hon. members that in accordance with the understanding just arrived at I will resume the chair at 8.15.

At 6.20 the committee took recess.

AFTER RECESS

The committee resumed at 8.15 p.m.

On clause 1—*Short title.*

Mr. Nicholson: Mr. Chairman, I wonder if the minister would elaborate on the word "interim". It would seem to me that since the act provides that by order in council it can be extended to a year from now there should be some indication as to what the minister has in mind by the reference "interim".

Mr. Howe (Port Arthur): Mr. Chairman, the purpose of the word interim is to indicate that it is not the intention of the act to take care of all the requirements of the producer for a year. It is to take care of a producer in the interim from the beginning of the crop year until he is able to deliver wheat or other grain in an amount that is current in a normal year.

Mr. Nicholson: But, Mr. Chairman, since provision is made for the legislation to be extended by order in council, I think that would suggest in the minds of those who were drafting it that it probably will be applicable next year. With such large sections of the west where farmers have been able to deliver only one bushel per acre up until this time, and with the picture as serious as it is, I would think there should be some indication as to whether or not the farmers are going to be able to find some other ways and means of realizing on the sizeable stocks of grain which are in hand but which cannot be sold.

Mr. Howe (Port Arthur): Well, Mr. Chairman, no matter what the title suggests to my hon. friend it is in fact an interim loan. The farmer starts repaying it as soon as he delivers any grain and over a period of time the loan is bound to diminish, providing the farmer is able to market his grain.

Mr. Fleming: At quite an early stage of the debate the minister indicated that the number of applications for loans received by the banks totalled about 8,000.

Mr. Howe (Port Arthur): At the end of last year.

Mr. Fleming: At the end of the calendar year. Has the minister now any more recent figures on the total number of applications for loans and the aggregate amount?

Mr. Howe (Port Arthur): No; I am sorry, but I have not seen the figure. I particularly asked for it at the year end and obtained it. I have not asked for it since; therefore I have not seen it. Of course the banks have the figures, but it would take a request on our part to obtain the figures from them.

Mr. Fleming: Does the minister recall the total amount of the loans that was given to him as at the end of the calendar year 1955?

Mr. Howe (Port Arthur): Yes. It was roughly 8,000 loans totalling approximately $7 million.

Mr. Castleden: I should like to ask what it is expected that such loans to the 8,000 borrowers will cost the government. What was the cost as a result of the experience of the government under a similar act in 1951?

Mr. Howe (Port Arthur): Mr. Chairman, I hope the only expense will be the expense of the administration which is the responsibility of my colleague the Minister of Finance. The Department of Trade and Commerce hopes to ride free.

Mr. Quelch: Could the minister say how many loans have been made up to the end of January?

Mr. Howe (Port Arthur): No, I have not seen the figures.

Clause agreed to.

On clause 2—*Definitions.*

Mr. Nicholson: I was going to ask if there have been any requests from the credit unions

to have them accorded the same guarantees the banks have. Could the minister indicate whether or not there have been any requests?

Mr. Howe (Port Arthur): I rather think there have been. We were not in a position to grant the requests. Until now we have had no legislation to cover our guarantee. We had some protection under the Bank Act, but unfortunately credit unions do not come under the federal statute which is known as the Bank Act and therefore we could not guarantee loans from credit unions.

Mr. Nicholson: My understanding is that fishermen qualify for loans. I do not have the legislation before me, but probably the Minister of Finance could help us with this. It would seem to me that if the fishermen are able to qualify for loans through their credit unions, and if the credit unions on the prairies did want to have some consideration given them and the credit unions in British Columbia and the maritimes, probably some changes should be made.

Mr. Harris: It is correct that fishermen do get their loans under the legislation of last session through credit unions. We have considered it in connection with this legislation and in connection with another bill which will be coming forward in due course. The difficulty is more than just a matter of intention or desire, there is a real administrative difficulty. We have been in touch with the major credit union organizations throughout Canada, have corresponded with them and obtained their suggestions and have asked them a number of questions as to how some of these problems could be solved if they did in fact come within this type of legislation from now on.

It was not possible to conclude that, and it is not possible to conclude the matter in time for this legislation. I hope I shall be able to do so before another bill of similar import may come forward. I can assure my hon. friend that so far as we are concerned there is no objection to credit unions. We would be glad to have their assistance, but there are a great many problems that arise in the Department of Finance if we are to get the same results we get from the banks. I hope my hon. friend will take it that while we were not able to do it in connection with this bill, we hope to be able to do it in connection with this type of legislation in the future.

Mr. Nicholson: I am glad to have that statement from the minister. I am sure that hon. members from all parts of the country will agree with me when I say that the credit unions have a good record in the handling of small loans in a great many areas in the prairie provinces where there are no banks for some considerable distance. If the minister is able to bring forward legislation shortly so that credit unions can have the same advantages the banks are given under this legislation, I am sure it will be appreciated greatly.

Mr. Smith (Battle River-Camrose): Did the same request come from Alberta treasury branches as well?

Mr. Harris: The Alberta government treasury branches were considered in the same manner as were the credit unions, but we were unable to accede to their wishes at the moment. I repeat the assurance I gave to the hon. member with respect to credit unions and say that we will look at the matter, having in mind the actual desire to provide loans under convenient terms to farmers at any given time.

Mr. Hahn: Can the Minister of Trade and Commerce state why grain is being defined as wheat, other than Durum wheat, oats, barley and rye?

Mr. Howe (Port Arthur): Wheat, other than Durum wheat, is allowed to be shipped ex quota; there is no quota for Durum wheat, and the same for flax.

Mr. McCullough (Moose Mountain): As I understand it, rye is excluded from the "grain" mentioned in that paragraph.

An hon. Member: Included.

Mr. McCullough (Moose Mountain): Rye is not handled by the Canadian wheat board, and because of that fact many farmers are placed in an awkward position. We have been asking that rye and flax be handled by the Canadian wheat board. There are no restrictions on rye and flax as far as delivery is concerned, but the farmers producing these grains are not in position to get an average price as they would if they were being handled by the Canadian wheat board.

I take exception to the present policy of excluding rye and flax from Canadian wheat board handling. A situation existed this fall which worked to the disadvantage of the farmer who was able to get his flax to market quite early, because he did not get the higher price which flax was able to command later on. Generally speaking a farmer is at a disadvantage when he cannot sell his crop as he chooses; yet under Canadian wheat board regulations he is forbidden from selling when he wishes to sell. I think in all fairness to the position of our farmers the minister

should consider the advisability of including rye and flax in the products handled by the Canadian wheat board.

Mr. Howe (Port Arthur): In speeches which my hon. friend has delivered at least four times he has complained about the farmer not having freedom to deliver. Fortunately he has freedom to deliver his flax or rye and his Durum wheat whenever he likes. Therefore he has at least the best of one world if not of two.

Mr. Michener: As I understand it, we are dealing with paragraph (e) of subclause 1 of clause 2 of the bill. I should like to ask the minister if it is the intention of this paragraph to include oats, barley and rye within the definition of grain, or to exclude them. I have read the section several times and I am not yet clear as to its intention. It reads:

"grain" means wheat, other than Durum wheat, oats, barley and rye.

If that "other than" carries through to oats, barley and rye, then it means only wheat and would not include oats, barley and rye. If it does not include oats, barley and rye I suggest that the wording be reversed so that it would read:

"grain" means oats, barley and rye and wheat other than Durum.

Mr. Howe (Port Arthur): Perhaps if my hon. friend would pay strict attention to the commas he would get the meaning.

Mr. Michener: I have, but I think there should be brackets enclosing "other than Durum wheat" if it is to mean that Durum wheat is the only exclusion. Is that the intention?

Mr. Howe (Port Arthur): That is right.

Mr. Michener: I suggest that the paragraph could be made clearer. I read the paragraph when the bill first came down and I was not clear whether it was intended to include or exclude oats, barley and rye. I suggest that for the sake of clarity a simple change be made.

Mr. Howe (Port Arthur): Some of the highest priced lawyers in the country worked on this draft. If it would make my hon. friend feel any better he could move an amendment that there be parentheses around the words "other than Durum wheat".

Mr. Michener: I would move accordingly. Sometimes these high priced lawyers get so refined it is impossible to understand what they say.

Mr. Knowles: Nothing like a good sea lawyer.

The Chairman: It is moved by the hon. member for St. Paul's that the commas after the first and second "wheat" in paragraph (e) of subclause 1 of clause 2 be replaced by parentheses.

Mr. Knowles: I think we would still need a comma after the closing parenthesis.

Mr. Michener: I agree. We have discovered another high priced lawyer.

Amendment agreed to.

Mr. Johnson (Kindersley): I should like to ask the Minister of Finance whether the prescribed form referred to in paragraph (h) has been altered in any way since the bill was introduced, or since November of last year?

Mr. Harris: I did not catch the final part of the question.

Mr. Johnson (Kindersley): I imagine that the prescribed form referred to means the form which the farmer fills out at the bank when obtaining a loan. Has that been altered in any way since the legislation was initially introduced?

Mr. Harris: I am sure it has not been changed since the legislation was introduced, but we did change the form a week or ten days after it was sent out in the middle of November in order to eliminate certain searches with respect to titles and things of that kind. That would be perhaps around November 15 or 20, but I do not recall any major changes since.

Mr. Zaplitny: Perhaps the minister could table a copy of the prescribed form which is now being used in order that members may have an opportunity to see what is the case at the present time.

Mr. Howe (Port Arthur): Yes, we shall be glad to do that. We have it here.

Mr. McCullough (Moose Mountain): Could the minister state whether or not there have been restrictions on the delivery of rye? It seems to me that farmers have been restricted under the Canadian wheat board regulations.

Mr. Howe (Port Arthur): During this crop year, rye has been under quota. Rye is included with grain this year. The quota was lifted for a short time, but it is now under quota.

The Chairman: Shall clause 2 carry?

Mr. Castleden: With regard to clause 2 the Minister of Finance, in giving his explanation to the house, stated that he had contacted the credit unions throughout Canada and had acted upon their recommendations. Would he tell the house whether the banks expressed

any opinion as to their willingness or desire to lend money under this act?

Mr. Harris: Certainly they agreed to loan money under this act.

Mr. Castleden: Managers of banks to whom I have spoken in regard to this said they were hoping they would not be called upon to lend money under these regulations, and my impression was that the banks did not like it.

Mr. McCullough (Moose Mountain): Subclause 2 refers to words and expressions. I should like to ask why the words and expressions used in this act will have the same meaning as in the Canadian Wheat Board Act. Why are not the words fully spelled out in their exact meaning? It seems to me a situation could well arise where there would be an amendment to the Canadian Wheat Board Act, and perhaps the occasion would arise when the expression used in that act would not coincide exactly in meaning with what is meant in this act. I wonder if there is any reason why the words and expressions were not fully spelled out in the explanations in this act.

Mr. Howe (Port Arthur): In any revision of the wheat board act we would be very careful that the meaning of the expressions would not change. This simply means that instead of a long list of interpretations, we put in the major interpretations and say that the others are exactly as in the wheat board act.

Mr. McCullough (Moose Mountain): In connection with the prescribed form, I understand that forms prescribed by regulation may be changed at the will of the minister by order in council. It seems to me there is a danger here. I wonder why the minister is asking that by order in council these regulations may be changed. Most of us are not satisfied at the present time that the forms the farmer has to fill out are fair. They seem to be restrictive, and they seem to put the farmer in a difficult position, as we shall find out when we go into the other clauses of the bill. It seems to me we should have spelled out here very definitely what the government intends to do with regard to the prescribed forms, and we should know exactly what kind of forms the farmer has to fill out and what kind of commitments he has to make in order to obtain a little money on the grain he has stored on the farm.

Mr. Howe (Port Arthur): It is always the custom, where regulations are required, to provide that they will be made by order in council under the authority of the bill itself. That is the case here.

[Mr. Castleden.]

Mr. Zaplitny: The clause states:

"actual producer" means a producer actually engaged in the production of grain;

What would be the situation with respect to grain that is rented out? Would it be assumed that the tenant rather than the owner of the land is the actual producer of the grain, or would both be considered as actual producers of grain? What is the interpretation of that?

Mr. Howe (Port Arthur): The interpretation is exactly the same as in the wheat board act. The producer is the man who actually grows the grain.

Mr. Zaplitny: I am not too clear about that answer. When the minister says that the producer is the one who actually grows the grain, does he mean the tenant in the case of rented land?

Mr. Howe (Port Arthur): Yes, the tenant does the work.

Mr. McCullough (Moose Mountain): Following up the question by the hon. member for Dauphin, I wonder if the term "producer" will have the same application in this case as under the Prairie Farm Assistance Act. In other words, will anyone who is possibly receiving a small income from some other source be refused any assistance under this act?

I have in mind that when we were discussing it in a former debate with the Minister of Agriculture it was pointed out that there were cases where a young farmer who was perhaps doing a bit of trucking as a side line was not allowed to qualify for payments under the Prairie Farm Assistance Act. Would it be just as restrictive in this case, or will it mean that a farmer who is normally producing the grain and just takes a temporary occupation outside of his farming practices will be able to get this loan?

Many farmers, much as they would like to refrain from having to take this loan, are going to find themselves in a very difficult position this spring as regards putting in their crops. Some of the farmers have gone into the city and taken construction and other jobs. Perhaps they have taken their cattle to another farmer, and one farmer may be looking after two or more farmers' stocks while those farmers are away trying to earn a little ready cash. Will these people be refused a loan under this bill?

Mr. Howe (Port Arthur): No, P.F.A.A. has no more to do with this legislation than the Railway Act. This legislation is parallel to the wheat board act. The expressions are the same as those used in the wheat board act. If the man is the actual producer of the

grain, whether he be a tenant or an owner, he is entitled to obtain a loan on the grain he produced.

Mr. Regier: The Minister of Finance referred previously to having consulted credit union organizations, I believe. I wonder whether he could be a little more specific as to who was consulted. I understand there is no such thing as a national credit union organization. Were the provincial credit union federations or the co-operative union of Canada consulted, or were they individual organizations that were consulted?

Mr. Harris: I do not think we need to go into great detail, but we have consulted all the major credit unions, especially those that have a provincial or extra-provincial authority. I think before we are through we shall have consulted such a representative group that there will be no question about the opinion that we ultimately form having the support of practically all the credit unions.

Mr. Argue: I heard the Minister of Finance's comments earlier on the likelihood or the hope that credit unions might be included in a number of acts at this time. Is it the minister's hope that in the next session of parliament, if this act should then be in effect, an amendment might be moved so that credit unions may be included?

Mr. Harris: I am very much concerned to get this session of parliament along with its job and not to worry about that.

Mr. Argue: I hoped when the minister made his earlier remarks that we were likely to get action, not only as far as this legislation is concerned, with regard to giving credit unions the same guarantee as banks, but under other legislation and other acts of this parliament, giving them the same guarantee.

In spite of the minister's comment that he would like to get this session over before he says anything about this other possibility, I am hopeful that at the next session credit unions may be included, and under the same guarantee as the banks.

When the Minister of Trade and Commerce was defining "producer" I noticed he made the comment that any actual producer, tenant or owner, was entitled to a loan. I am wondering in what way a producer can qualify so that he is entitled to a loan. In other words, does the minister feel that if a producer has grain on his farm that has not yet been marketed and the permit book is open for a certain sum of money, the producer in reality is entitled to a loan in that amount?

Mr. Howe (Port Arthur): Mr. Chairman, we are coming to the guaranteed loan presently, and I suggest that we take these things up under the proper heading.

Mr. Castleden: The Minister of Finance indicated that the provincial credit union organizations are still being contacted. Is that what I understood him to say?

Mr. Harris: No, Mr. Chairman. I said that we had decided we could not complete our work with respect to this bill and have anything to do with credit unions in it. However, I did say that in general we were pursuing the subject of the position in which credit unions could be put with respect to similar legislation. I mentioned that there is one on the order paper that we are considering at the present time, but so far as this bill is concerned there will not be time and we do not intend to pursue it.

Mr. Diefenbaker: As the bill now stands, credit unions could not be included, could they?

Mr. Howe (Port Arthur): No.

Mr. Diefenbaker: In view of the fact that under section 88 of the Bank Act security must be taken, and therefore as the legislation now stands credit unions could not be included.

The Chairman: Shall clause 2 as amended carry?

Mr. Diefenbaker: No. I am asking the Minister of Finance whether that is not so.

Mr. Harris: The chief difficulty that we have had is the question of representation of credit unions. It is not a question to be solved easily. We are dealing here with seven or eight banks and we have to have a similar situation before we can deal with credit unions.

Mr. Regier: I do not think the credit union movement is going to be very happy with the minister's answers thus far. I understand this legislation goes back to October 1. Quite a few months have passed since that time. Could the minister not be a little more explicit and explain exactly the implications involved in why the credit union movement cannot be brought into this legislation?

Mr. Harris: There is no need to do that. There is nothing in the bill with respect to credit unions. My hon. friend will just have to take the explanation I gave, that I did not consider it possible then and have not considered it possible since to have the work we are doing with the credit unions advanced sufficiently to find an acceptable basis on which we can include them in legislation of

this kind. I think that is a complete answer, and I do not think my hon. friend should press it beyond that.

Clause 2 as amended agreed to.

On clause 3—*Minister's liability to a bank.*

Mr. Diefenbaker: With respect to the first subsection of clause 3, I am one of those who believe there is very little danger of any losses being suffered by the federal authority under the guarantee. In order to support that I should like the minister to give particulars as to the experience under the 1951 act. How much was borrowed? I believe the figure was approximately $600,000 but I am not sure of that. How much, as finally guaranteed by the Minister of Finance, had to be put up by the government of Canada, and of that amount how much is still in default, if anything?

Mr. Howe (Port Arthur): Originally there were 1,504 loans under the 1951 legislation. Of that number 1,430 were repaid in full and 71 were defaulted. There is a balance of three loans still outstanding that have not been put in default. The amount of the claims paid by the Department of Finance is $23,587.51. The amount of money recovered through wheat board deductions and direct repayments by borrowers is $9,707.22. The balance outstanding at this date is $13,880.25.

Mr. Argue: What was the aggregate amount of the loans made under that act?

Mr. Howe (Port Arthur): $625,633.91.

Mr. Hamilton (York West): I notice that paragraph (d) of subclause 1 of clause 3 refers to the rate of interest charged by the bank on the loan not exceeding 5 per cent. In other words the guarantee would apply if the rate of interest charged by the bank on the loan did not exceed 5 per cent per annum simple interest. This would indicate a maximum figure. Can the minister inform the committee if the banks have handled any of these loans at less than 5 per cent interest?

The reason I ask the question is that it seems to me the guarantee supplied in this case is very much the same as when a borrower goes to the bank, asks for $1,500, is questioned as to his security and presents $1,500 in Dominion of Canada bonds. Under circumstances of that kind I am quite sure that any bank manager would be prepared to lend at a rate less than 5 per cent. I have been told that there may be problems of collection involved in this instance which are a little different from just having to cash bonds, but I am quite sure that if the banks had certain problems of collection they would in the ordinary course of events add their collection charges to the amount which they would be attempting to collect. Perhaps the minister might answer first if there have been any loans at less than 5 per cent and, second, just what type of negotiations took place with the chartered banks leading up to the rate fixed under this legislation.

Mr. Howe (Port Arthur): If a borrower were prepared to put up $1,500 in government bonds he would not make use of this legislation. He would conduct his own negotiations with the bank. Of course the bank does not need $1,500 in government bonds plus the government guarantee. I dare say if they had both they might give him quite a good rate. This legislation is concerned with the borrower whose only security is the wheat on his farm, and as far as I know the rate is 5 per cent.

These are small loans. The average is about $800, and the period of time would not be over six months. Probably it would not be as much as that. Therefore the total amount collected by the bank would be $20 per loan, and for that sum the bank has to go to the expense of making and collecting the loan. There is no such thing as adding collection charges, so my hon. friend need not worry about that.

Mr. Hamilton (York West): I am satisfied with the explanation respecting no collection charges, but I do not think the minister should try to confuse me by telling me that if a man had $1,500 in bonds he would not be going to the bank to borrow under this legislation. I realize that. What I am saying is that the guarantee by the government to the bank is just as good security as the $1,500 in bonds that he might have taken to the bank if he had them. Under those circumstances people ordinarily can borrow money at less than 5 per cent. That is the particular point at issue here. Approximately 16 million people have become joint and several guarantors for these loans, and I cannot see much prospect of anybody losing any money.

Mr. Howe (Port Arthur): If you put it to a bank manager as to which he would rather have as security, $1,500 in government bonds or alternatively $1,500 in respect of which the government has given a 20 per cent guarantee, I think he would certainly choose the former. I do not know why my hon. friend insists on comparing two unequal classes of security.

Mr. Argue: Mr. Chairman, we in this group have continued to say that under the legislation before us the banks in fact are taking no risk at all and that the 10 per cent of the

aggregate that is guaranteed could not possibly under any circumstances be reached. I can therefore agree with those who say that, with such a complete guarantee by the federal government, the banks should certainly be able to do better than to put out their money at the rather high rate of 5 per cent.

In answer to a question by the hon. member for Prince Albert, the minister has just placed on record the experience of the government in connection with a guarantee on somewhat similar lines in 1951. It shows that on aggregate loans of $625,000, to date the loss to the treasury has been $13,880. I am sure the minister hopes that some of the money still owing may yet be collected, and that what has been a loss to date of approximately 2 per cent may be still further reduced. I would think the 2 per cent loss is probably higher than that which is likely to be experienced under this act.

The 1951 legislation was enacted to deal with a situation that was different in many respects. Today we are dealing with a situation where the farmers have grain of high grade, in excellent condition and in good storage. It is the grain itself that is the guarantee that the bank loan will be paid. But in 1951, when marketing conditions were better, it was not a question of a farmer with grain finding it difficult to get his grain to market. The situation was that owing to adverse weather conditions in the fall of 1951, thousands of farmers had not been able to harvest their crop and the crop itself in an unthreshed condition was out under the snow. Because the farmers had no grain to market, the government decided to guarantee a loan. In this legislation the loan is against grain in storage. But in the legislation of 1951 the security was the crop and the crop was defined as follows:

(e) "crop" means a crop of grain of any kind, as well before as after severance from the soil, harvesting or threshing thereof, and includes grain of any kind.

The grain could not only be under the snow in a swath condition where there was perhaps a reasonably good chance of harvesting it in the spring, but the grain could be under the snow in a standing condition so it was difficult to say what the possibility might be of harvesting the grain the next spring.

Still, with respect to this legislation, there is a high interest rate of 5 per cent. The farmer is obliged to surrender his permit book. He is giving the banks, I suggest, full security. I wonder what the right of the farmer is under this act. Is the farmer with grain undelivered, with his permit book uncommitted as defined in this legislation, in fact entitled to a loan? I do not think so. I still believe it is at the discretion of the banker whether the loan is in fact made. Because of the fact that we object to this extremely high rate of interest, Mr. Chairman, we oppose this particular clause.

Mr. Howe (Port Arthur): I am quite willing to assume that there will be no loss to the banks and I am quite willing to assume that the loss—if there is a loss—to the government will be extremely small. Nevertheless, it costs money to carry on a banking business. It costs money to make small loans. My hon. friend has before the house at the present time an amendment to the Small Loans Act, and it covers loans of about the same amount as these loans. What interest rate did he provide for there?

Mr. Argue: Mr. Chairman, they are not at all comparable. The purpose of the legislation which I proposed to the house was to reduce the interest rate that borrowers would be obliged to pay when they obtained loans under the Small Loans Act. The borrower who is asking for a loan from a small loan company has already been paid his wages—at least we assume that—or if he has a product to sell, he has been able to sell it. But the fact is that the prairie producer, while he has perhaps one of the best crops in history, has not been able to deliver it.

Because the wheat board and the government, who have the sole responsibility of marketing that grain, have been unable to take delivery of a substantial part of the grain to date, we feel the government has some responsibility. It is probably more just that a person, in obtaining a loan after he has received his wages, should pay an interest rate even though it is in excess of 5 per cent, than it is that a person be forced to pay 5 per cent interest because of the failure, through government policy, to take delivery of that grain.

Mr. Quelch: We in this group have already stated that we think the interest rate is too high. Inasmuch as apparently the losses are guaranteed by the government, there is therefore no real danger of the banks suffering any loss. But what I am interested in is this. How far must the banks go in collecting the money that is owed to them before the government will pay up any losses they may have suffered? For instance, if when the grain has been delivered there is still a certain amount of money owing to the banks, can the banks then claim that they have suffered loss or must they take other measures in order to try to collect the money that is owing to them, such as foreclosing on chattels or any other assets?

Mr. Howe (Port Arthur): I believe that matter is covered by the regulations. The bank is obliged to make a reasonable effort to collect the money. I think there is a recovery section in it:

> The bank shall notwithstanding full settlement of its claim of loss as a result of the guarantee loan act on behalf of the Minister of Trade and Commerce to collect amounts outstanding in respect of the loan and for such purpose shall take such reasonable steps as the said minister may deem necessary and shall realize upon any security held by it such amounts as may be collected or realized by it to be remitted to the said minister at the end of each month, commencing with the first day of November, 1952.

That is a regulation from the 1951 legislation, but that will be covered by the regulations in this case.

Mr. Quelch: The reason I asked that question is this. When we were considering the housing legislation the representatives of the banks stated that they did not like to go into the mortgage business because they did not want to be obliged to foreclose. At that time it was mentioned that they were obliged to do that under the farm improvement loans, and the witness for the bankers stated that, within his knowledge, they had not been obliged to foreclose on any farmer. I was wondering whether, under this legislation, the banks would actually be obliged to go through the procedure of foreclosing on any chattel that might be owned by the farmer other than the wheat alone.

Mr. Howe (Port Arthur): The only security for this loan is the wheat.

Mr. Quelch: If the wheat does not pay up the loss, as far as the bankers are concerned they are through?

Mr. Howe (Port Arthur): If he does not pay it off with the wheat he has this year, we hope perhaps he will pay it off with the wheat he gets next year.

Mr. Fleming: Mr. Chairman, I think the clause in regard to the maximum rate of interest needs some further clarification. I think it will shock a great many people to learn that a loan guaranteed by the government of Canada should call for a rate as high as 5 per cent. It is quite true that there are limitations on the amount of the loan. There are limitations imposed by this section and there are limitations imposed by the next following section. Therefore it cannot be said that it is a complete, unconditional guarantee of the loans by the government of Canada. But even taking account of that fact, the rate of interest seems high in relation to the kind of security this bill authorizes.

Seeing that this must have been the subject of conferences with the banks before the lending began as of October 1, I ask the minister whether this subject of the rate of interest was seriously discussed, and whether the government did press for a lower rate of interest on these bank loans, in view of the extent of the government guarantee?

Mr. Howe (Port Arthur): Mr. Chairman, the Minister of Finance, of course, deals with the banks, and discussions about the rate of interest were carried on by the Minister of Finance. The government has many guaranteed loans and I do not know that 5 per cent has ever been considered a high interest rate. The Farm Improvement Loans Act is the same and the National Housing Act is a bit higher. If my hon. friend says that 5 per cent for a loan averaging $800 is an excessive rate, he is expressing his own opinion; he certainly is not expressing mine.

Mr. Fleming: I think the minister is only adding confusion to the situation. He is talking about certain loans made by government boards under certain acts to individual borrowers. That is not the situation under this bill at all. This is a question of banks lending to individual borrowers, and receiving at the same time a government guarantee. I did not use the expression "excessive interest rate" as the minister has. But I do wish to express the opinion that I think it will shock a great many people to learn that a loan that is guaranteed by the Bank of Canada still must bear a 5 per cent rate. It will shock many people to learn that that should be so. A great many people in this country would like to lend money, receiving on it a government guarantee, for a lesser rate than 5 per cent. If there were any sense to this, I think the minister should say so rather than introduce a lot of confusing references to situations which are not at all parallel to this in any sense.

Mr. Howe (Port Arthur): Mr. Chairman, the Farm Improvement Loans Act is exactly the same as this. It provides that a borrower borrows from a bank under a government guarantee. It has been in effect for several years, and the rate is 5 per cent.

Mr. Rowe: It is too much.

Mr. Howe (Port Arthur): A more parallel act is the Fisheries Improvement Loans Act under which the fisherman borrows from a bank under a government guarantee at an interest rate of 5 per cent. It is the same class of loan.

Mr. Johnston (Bow River): Can the minister tell us what was the amount of loss under the Farm Improvement Loans Act?

Mr. Howe (Port Arthur): It is not in the Department of Trade and Commerce.

Mr. Nicholson: The Canadian Farm Loan Act is certainly not comparable.

Mr. Howe (Port Arthur): I said "Farm Improvement Loans Act".

Mr. Nicholson: Certainly not the Canadian Farm Loan Act.

Mr. Howe (Port Arthur): No.

Mr. Michener: I should like to say a word about the time period for which these loans are guaranteed. The bill says loans made between November 15, 1955 and June 1, 1956. Here we are in February, and parliament is now going to guarantee loans which have been made as far back as November 15, I suppose under the assurance of the government that it would cause parliament to pass the necessary regulation. It is that kind of attitude of the government toward parliament which leads me to ask the minister whether the date was not intended to be November 5, which was the date on which the announcement was made and which, as students of history will recall, is Guy Fawkes day, and the anniversary of the gunpowder plot to blow up parliament. I thought the minister had some sense of poetic justice in what he was doing in making his announcement on Guy Fawkes day. Perhaps he would like to amend this section and have the date run from November 5 to June 1.

Mr. Howe (Port Arthur): Mr. Chairman, if I had the same finicky view of the situation as my hon. friend has I would probably have decided to wait until parliament had met and this lengthy debate was over, and the farmers would only now be able to get loans instead of getting them last November. I daresay it helped.

Mr. Diefenbaker: Possibly the minister can explain whether or not an order in council was passed to cover the guarantees that had been made from the date when the banks were promised this guarantee back on November 5 until the date that parliament did meet. Is that the basis upon which the guarantee was carried into effect?

Mr. Howe (Port Arthur): Mr. Chairman, there was no order in council. There were letters from the Minister of Finance to the banks which were tabled in the house. I am quite sure my hon. friend has read them. I do not know why he asked the question.

Mr. Diefenbaker: Mr. Chairman, that is not quite the answer; that is no answer at all. The Minister of Finance has no power outside of parliament or under an order of council under the prerogative right of the crown.

Mr. Howe (Port Arthur): No power to write a letter?

Mr. Diefenbaker: Oh, now, we have arrived at the point where a minister can write a letter and make a guarantee on behalf of the government of Canada without an order in council. That is a most interesting thing. That is a new principle of government.

Mr. Howe (Port Arthur): The Minister of Finance made no guarantee. He wrote a letter to say that when the house convened he would introduce legislation to guarantee the loans from a certain period, which I think was November 15. That was the letter to the banks. The banks did not even wait. They decided they would lend on the basis of that letter, believing that the Minister of Finance would introduce the bill as he had promised, which has been done.

Mr. Diefenbaker: Has that letter been tabled?

Mr. Howe (Port Arthur): Yes.

Mr. Diefenbaker: That is the one that was tabled?

Mr. Howe (Port Arthur): Yes.

Mr. Diefenbaker: The one in question; I see.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: My hon. friends laugh. Because of the delay in tabling them it makes one suspicious, any time any matter arises, that they have not been tabled. I want to ask some questions in regard to directions to the banks. One of the complaints that I have had from quite a number of farmers is that qualified farmers are denied loans under the terms of the legislation. It all seems to depend on the location of the bank or the attitude of the individual banker.

What instructions have been given to the banks in regard to this question? In certain places farmers have been denied loans with all types of excuses. One excuse has been, well, you really do not need the money at the present time because you are going to make payments on account of certain debts that you owe. That excuse has been used on a number of occasions. Farmers believe that they are entitled to this assistance because after all one of the major reasons for it was to relieve the monetary situation among the farmers, and also, I would think, to be of assistance to the creditors in the area in which those farmers live in order to meet the current expenses of farming.

What instructions have been given to the banks? I asked the other day whether the government had any record of how many applications were turned down by the various chartered banks. The reply I received was that the government had no such information. I feel that if instructions have not

been given to the banks, instructions should certainly go out now from the Minister of Finance to the various banks requesting them to grant the necessary loans, since the banks are guaranteed against any possibility of loss. Will the minister say—

Mr. Howe (Port Arthur): Mr. Chairman, there are only two criteria that must be insisted on. One is, has the farmer the grain? In other words if he has 2,000 bushels of wheat he is entitled to borrow on a thousand bushels. The other is, is it pledged under section 88 to some other bank? If it is not, or if it is pledged under section 88 to the same bank and there is room for the loan, he is entitled to the loan. Those are the only two criteria.

Mr. Quelch: Is there not another under section 3(e)? If the farmer had sold his 2-bushel quota would not the amount of that be deducted from the $1,500?

Mr. Howe (Port Arthur): Yes. This is supposed to put the farmer who has delivered no grain in cash until he has delivered his grain, and if he has delivered part of his grain that is counted against the loan and he is only entitled to borrow the $1,500 less the value of the grain that he has delivered.

Mr. Quelch: What if the farmer has only delivered 2 bushels per acre—the normal delivery is 8—surely the farmer should be able to borrow something; but if he had 800 acres at 2 bushels that would be 1,600 and that would mean he would not be able to borrow a cent. Yet he would have 6 bushels to the acre left on which he should be able to borrow.

Mr. Howe (Port Arthur): If he had 3,000 bushels he could borrow $1,500, I suppose, and if he has delivered 500 bushels that is taken off; but this legislation was never intended for a man who has 800,000 bushels of grain or anything like that.

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): How much did you say?

Mr. Quelch: Eight hundred.

Mr. Argue: What is a million bushels?

Mr. Howe (Port Arthur): This is for the small farmer, the three-quarter section farmer who would be expected to produce about 3,000 bushels of grain. That is the man this legislation was designed for. My hon. friend likes to refer to his own position, but I venture to suggest a bank manager does not ask him for any guarantee when he goes in to borrow.

[Mr. Diefenbaker.]

Mr. Bryson: It has been argued constantly that the risk involved does not warrant the high interest rate of 5 per cent, and the minister referred to the experience in 1951 and the small loss taken, which seems to fairly well justify that belief. I wonder if the minister could tell us of the $13,000 that did go into default in the 1951 experience; how many of those loans went into default because of misrepresentations made by producers as to the amount of grain they gave as security to the bank?

Mr. Howe (Port Arthur): We would not know that. These loans are put out by chartered banks. I suppose they do their best to collect, but whether there is misrepresentation or misfortune or whatever cause we would not know.

Mr. Johnson (Kindersley): Mr. Chairman, the minister has stated that this legislation is aimed at assisting the small farmer providing he can meet the qualifications of section 3. The qualification of section 3(c) is that the bank manager has scrutinized and checked the application for the loan with the care required of him by the bank in the conduct of its ordinary business.

I suppose all bank managers are charged with the responsibility of making money and not losing any; therefore the bank manager would not give the loan to anyone who is in any way a poor risk. He would not give it to the small farmer who is in need of it by virtue of this qualification which is stated in the act. Is that not correct?

Mr. Howe (Port Arthur): All I can say is that up to the end of last year he had already given it to 8,000 farmers, and I am sure he has given it to a great many more since that time.

Mr. Johnson (Kindersley): Has the minister any information as to the number of farmers who have applied?

Mr. Howe (Port Arthur): Not the slightest.

Mr. Johnson (Kindersley): It is listed on the application for the loan which the Minister of Finance has. Could the minister get that information? Surely it must be part of the information which the Minister of Finance has.

Mr. Howe (Port Arthur): It is not available in Ottawa.

Mr. Trainor: Would the minister care to state at just what price per bushel this grain which is to be hypothecated for loans is to be held?

Mr. Howe (Port Arthur): It is the initial price of the grade.

Mr. Trainor: What is that, $1.40?

Mr. Howe (Port Arthur): It depends on the grade.

Mr. Castleden: I should like to ask another question with regard to the security. Since all the loans are going to be entered in the farmer's permit book, the security upon which the loan is made is not merely the grain which the farmer has on hand at this time but all the grain which he may have in years to come. Is that true or is it not?

Mr. Howe (Port Arthur): Yes, that is true.

Mr. McCullough (Moose Mountain): I think the point has been well made that there has been very little risk involved in these bank loans. The hon. members who have spoken have indicated that there has been very little loss under the 1951 legislation, and I expect there will be very little loss under this legislation. This afternoon the minister indicated that to date some $7 million had been loaned under the present proposed legislation. Calculating that at 5 per cent interest, if it runs for a year there will be an additional debt of $350,000 on the farmers' backs.

Mr. Howe (Port Arthur): It does not run for a year.

Mr. McCullough (Moose Mountain): But certainly it may very well run for a year.

Mr. Howe (Port Arthur): No, sir.

Mr. McCullough (Moose Mountain): Consequently I say it smacks of discrimination, simply because when we consider other legislation proposed by this government to help various companies in this country at around 3 or 3¼ per cent interest, one can readily understand our disgust. The farmer is already bankrupt because of this government's policy.

I take exception to this because as the minister has said, it is an ironclad guarantee by the government of up to 15 per cent of the aggregate loss the banks can have. I think all hon. members will agree that at the outside the loss will be only about 2 per cent, and when it is considered that this legislation is supposed to help the small farmer in general one can agree with what has been said by the hon. member for Humboldt-Melfort and the hon. member for Kindersley and others who have said that the farmer in many cases is not going to receive any assistance under this legislation.

If for example the farmer has his grain hypothecated to taxes, to the storekeeper, the oil merchant and to others, and if he has made a delivery under the quota, then of course his chances of getting a loan are very remote.

When one considers that the farmer is hard pressed at the present time I think the government should have given fair consideration to this. At least when it is prepared to back it with the Canadian taxpayer's money so the banks cannot possibly experience the loss contemplated of 15 per cent of the aggregate, then I think we should have at least found this government ready to compromise on this and ready to reduce the interest to approximately 3 per cent, which it was ready to give big companies in this country in relation to credit and advances.

I think there are certain friends of this government, but the farmers of western Canada are not among them. The friends of the government appear to be the vested interests, corporations, and big people who can do something for themselves. Very little if any consideration is given to the little fellow and, I refer particularly to the farmers of western Canada.

Mr. Trainor: May I ask the minister an additional question? Supposing he accepted the suggestion which has just been made, how much does he estimate it would cost the treasury of Canada, if anything?

Mr. Howe (Port Arthur): What was the suggestion just made?

Mr. Trainor: The suggestion was made that the interest rate be reduced to 3 per cent.

Mr. Howe (Port Arthur): Well, I suppose if the banks charged 5 per cent and we charged the farmer 3 per cent someone would have to pay the other 2 per cent. My hon. friend has a pencil there; he can figure it out.

Mr. Trainor: Not necessarily; the banks could be persuaded to charge 3 per cent.

Mr. Knowles: Mr. Chairman, a few minutes ago when the interest rate was under discussion the Minister of Trade and Commerce tried to make the point that 5 per cent was the rate charged in certain other acts providing for government-guaranteed loans. He referred in particular to the Farm Improvement Loans Act and the Fisheries Improvement Loans Act. It seems to me that there is a very fundamental difference between loans sought under those acts and the loans provided for under this legislation, a fundamental difference which we do not as yet seem to have been able to get across to the minister.

When a farmer seeks a loan under the Farm Improvement Loans Act he is seeking money to improve his property or to purchase machinery, knowing that he will have to repay that loan—and intending to do so—out of future earnings. But in this case the farmer is put in the position where he has to seek

a loan in respect of wages he has already earned but has not been able to draw. It is because of that fundamental difference that we think there should be cash advances rather than loans. In other words, we think that there should be no interest at all. We contend that the minister's attempt to make a comparison is invalid.

Mr. Howe (Port Arthur): Mr. Chairman, I am certain that my hon. friend is so indoctrinated with the idea of collective farms, government-owned farms, that he talks about the farmer's production as labour. The farmer is an entrepreneur, he is an owner. His rewards come from the product he sells. The farmer does not work for a wage unless he is a hired man. On the collective farms in the old country wages are paid to the farmer and the state owns the land. The state takes the profits from the farm and stands the risks. But here we have ownership of the land by a private individual. The owner of the land cultivates his farm, markets his product and takes whatever comes.

Mr. Knowles: Just because the minister and I both happened to mention some fisheries legislation is no reason why he should produce a red herring. As a matter of fact, he knows that the inference which he has just attempted to draw is quite unfair and quite unrealistic.

Mr. Howe (Port Arthur): No, you are a socialist.

Mr. Knowles: The fact of the matter is that in this country under a system which we in this group thoroughly approve, namely, orderly marketing through the wheat board, the only way in which a farmer—call him an owner if you will—can get a return for his year's work is to be able to market his product. You are indulging in semantics if you call him a labourer or wage earner because he collects his wages at the end of the year. The fact of the matter is that it is the inadequacy of the government's policy which makes it impossible for him to get that return.

I come back to the point which I made when I rose before. What the farmer will be seeking under this legislation, what he is forced by the government to apply for, is a portion of what he has already earned. That is totally different from trying to borrow something against future earnings. That being the case, there should not be any interest in this bill at all.

Mr. Hamilton (York West): Mr. Chairman, I can see that we all have different opinions about interest rates and also about the effectiveness of the security. Listening to the hon. member for Winnipeg South deal with the question of interest it seemed to me that the Minister of Trade and Commerce or the Minister of Finance owes this house an outline of the negotiations which took place with the banks, not just a tabling of correspondence. I think we are entitled to know if the officials of the department sat down with the representatives of the banks to determine what would be an equitable interest rate, and whether there were any representations on the part of the treasury that 5 per cent was too high, that the banks could make a reasonable profit at 3½ per cent. Did they simply accept the proposition by the banks as being the only one under which they would carry out their obligations? I think we are entitled to an explanation and to know exactly what took place.

Mr. Stuart (Charlotte): The hon. member for Winnipeg North Centre has suggested that there should be some variation in the interest rates on loans provided for fishermen and those provided for farmers.

Mr. Knowles: I did not say any such thing. I made a comparison between the farmer borrowing under one act and the farmer borrowing under another act. It was the minister who brought in the fish.

Mr. Stuart (Charlotte): That is what I want to speak about. I believe the hon. member for Winnipeg North Centre mentioned fish as well. The fishermen in the riding which I represent are asking for loans this year for the first time, and I can assure you that they have not a year's supply of fish in storage. The reason they are asking for these loans is that last year was a bad year. If they had had two, three or four productive years they would be the last people in the world to ask anyone for assistance of any kind. The fact is that they have had two and three and in some cases four years of scarcity, and I mean scarcity.

During the past year legislation was passed in this house to provide them with the same facilities we are giving the western farmers. I can assure the hon. member for Winnipeg North Centre that the fishermen who are taking advantage of this legislation are men who have been without income for two or three years. I think it is a most unfair comparison when you take one who has had four or five bountiful years and whose next year's bread and butter is in storage.

The Deputy Chairman: Perhaps I might state to the committee, and I think hon. members will agree, it having been understood that there was a comparison made between fishing legislation and farming legislation,

and that comparison having been answered, while I am not ruling comparisons out of order I think I should rule out of order debate as to the merits or needs of fishermen.

Mr. Knowles: On a question of privilege, I wish to make it perfectly clear that I referred to the fisheries act only to pick up what the minister had said, but when I made the comparison which I sought to make I made it between the farmer applying under the Farm Improvement Loans Act and the farmer applying under this bill. I deliberately and distinctly avoided making any other comparison, because if it were in order I would support the kind of appeal the hon. member for Charlotte is making on behalf of the fishermen.

Mr. Stuart (Charlotte): I was under the impression that in his statement the hon. member said there should be a difference in the interest rate on loans to western farmers and on loans to fishermen, that the western farmer should have a lower rate. I may have misunderstood the hon. member.

Mr. Knowles: I invite my hon. friend to go with me to the *Hansard* office and I am sure it will be found that I said no such thing.

Mr. MacInnis: Mr. Chairman, I have listened to this debate for a long time and have not taken any part in it, but apparently some hon. members do not understand the farmer's position as a producer. He is a little different from the industrial worker. The mere fact that he owns his farm does not make so much difference, I should think. The difference is this. The industrial worker sells his labour to somebody who wants to buy it—or, more correctly, his labour power. He gets paid for that. What he produces belongs to the person who bought his labour. The farmer does not sell his labour power or his labour directly to anybody. He turns that labour into some kind of agricultural commodity, into oats, wheat, beef or pork or whatever he may be producing. The moment he has produced that, he has to find a buyer and he is actually in the same position as the industrial worker.

An hon. Member: No, he is not.

Mr. MacInnis: You settle that for yourself. He is in the same position as the industrial worker who cannot find a buyer for his labour. The farmer on the prairies today who has wheat on his farm and cannot find a buyer is like the unemployed worker. He is in exactly the same position.

Mr. Howe (Port Arthur): There is a remarkable difference. The farmer who cannot market his wheat still has his wheat. The unemployed worker has no income; he has only outgo.

Mr. Argue: One works for nothing, and the other sits around for nothing.

Mr. MacInnis: The farmer who has his wheat markets it in a reasonable time, it is true, and the industrial worker who cannot find a sale for his labour has his labour power, but that too has to be sold or used every day in order to be of any value to him. There is very little difference.

Mr. Howe (Port Arthur): There is a lot of difference.

Mr. MacInnis: If the farmer cannot find a market for his product, as I said before, he is in the same position as the worker who is unemployed. As a matter of fact, what you are doing now is providing some sort of unemployment insurance for the farmer.

Mr. Howe (Port Arthur): The farmer who cannot sell his wheat at least has his wheat. Suppose we take a year when the farmer cannot sell his wheat. At the end of the year he has the year's production of wheat. If a worker is unemployed for a year, he has nothing at the end of the year.

Mr. Trainor: In view of the demonstration by the hon. member for Winnipeg North Centre and the hon. member for Vancouver-Kingsway of the complete socialism of the wheat grower in this country, how can the minister maintain that the wheat farmer is in the position of an independent entrepreneur?

Mr. Howe (Port Arthur): I suppose the most independent man is the grower of Durum wheat or the grower of flax. They can sell those whenever they like. Yet we have more complaints from those people than from anyone else. They are free agents, but they are not happy about it.

Mr. Trainor: In other words, there is no wheat board in their case.

Mr. Argue: Some of us have been saying that the position of the farmer is identical with the position of the wage earner who would have to borrow his wages at the end of the month. The minister says that is just some evidence that the C.C.F. believe in socializing the farmer.

Mr. Howe (Port Arthur): Does the C.C.F. not believe in socialism?

Mr. Argue: Not socializing farmers; absolutely not.

An hon. Member: Just everybody else.

Mr. Argue: The minister has stated that the farmer is an entrepreneur, that the

farmer is a capitalist and that he is not a wage earner. We cannot demonstrate that he is a wage earner, because he is not getting any wages. The minister cannot demonstrate that the farmer is an entrepreneur when he is not getting any return on his capital investment. He has a capital investment and he does a good deal of work, but he gets nothing for it. I think the definition of a capitalist is somebody who gets a return on his capital.

Some hon. Members: Oh.

Mr. Argue: But we have the minister—

Mr. Howe (Port Arthur): You will be driving a wedge between the Conservatives and the C.C.F. if you are not careful.

Mr. Argue: I have in my hands some figures on the amount of return a farmer gets on his capital invested under the kind of system the minister is talking about.

Mr. Howe (Port Arthur): I suggest that there is nothing in this that has anything to do with the clause under discussion.

The Deputy Chairman: I was about to raise that point myself. The position in which the farmer finds himself today, and whether or not he should be called upon to pay a certain rate of interest, undoubtedly come under this particular clause; but if we get too far afield into the very broad principles of whether a farmer is a capitalist or a wage earner or whether or not the C.C.F. believe in socialism, we are getting too far from the subject. The hon. member for Assiniboia might point his remarks to the clause under discussion.

Mr. Knowles: It is obvious that the Liberals do not believe in liberalism.

Mr. Argue: It would be very difficult for a farmer or anyone else to pay interest when he is getting no interest on his investment. The figures I have show how impossible it is for farmers to pay a higher interest charge than they have been paying in recent times.

Mr. Howe (Port Arthur): I can assure my hon. friend that, if he has figures, he has put them on *Hansard* at least four times in the last six weeks.

Mr. Argue: That is another inaccurate statement of the minister. I have not yet mentioned these figures. He says I have put them on *Hansard* four times, and he does not know what the figures are. He has no idea what I am going to say, but he is so impatient with parliament and so impatient with discussion that he cannot wait until a member has finished his sentence before he gets up and interrupts with a lot of inaccurate statements. As far as I know, these particular figures have not yet been placed on the record of this house by any other member.

Mr. Howe (Port Arthur): What are you reading from?

Mr. Argue: The interprovincial farm union council presentation to the cabinet. The figures are all taken from the dominion bureau of statistics and no doubt have been issued under the authority of the minister or, if they were not, there is another source, the Manitoba government's submission to the royal commission on Canada's economic prospects, another body set up by this government. In any case the Liberal party and this government are very closely associated with these statistics, even though I cannot tell at a quick glance whether they were issued by the dominion bureau of statistics.

They are to be found on page 8 of that submission. It is called "Table VII" and the heading is "Gross and Net Income, Operating Expenses, Total Debt and Per Cent Returns to Capital for Farms in Manitoba". You could not blame any low rate of return in Manitoba for anything a socialist provincial government might be doing, because the people out there have a provincial Liberal government as well as a federal Liberal government. In 1954 for each dollar of capital invested in Manitoba the farmers received a return of ·001 per cent, which I suggest shows that the farmer, under the legislation and under the policy of the Minister of Trade and Commerce, is not a capitalist at all, because he gets zero return on his investment.

An hon. Member: What is the comparable figure for Saskatchewan under the socialist government?

Mr. Nicholson: While the hon. member for Winnipeg North Centre was speaking, some exception was taken to his suggestion that the farmer is in a position where he can sell his wheat to the wheat board, and to the wheat board only. We should not lose sight of the fact that twice during the last century farmers were prevented from selling their wheat in the open market in order to keep the price down, and they were forced to sell through the wheat board.

I am not complaining about that. I am all for it, but we must not ignore that fact. We cannot sell our wheat any place else. I wish the minister would admit the correctness of the information he gives us regarding what has happened in the case of farmers in other countries, as found in the *Wheat Review* for December, published by the authority of the Minister of Trade and Commerce, in which he refers to what is being done for

the wheat farmers in the Argentine, in Australia, France and elsewhere in Europe.

Mr. Mang: We have heard that a hundred times.

Mr. Nicholson: You have not heard this at all. What the hon. member for Qu'Appelle says is typical, that they have heard all this many times when they have never heard it at all.

Mr. Howe (Port Arthur): You gave us all that.

Mr. Nicholson: I wish the Minister of Trade and Commerce would merely go as far as his colleague, the Minister of Finance, and admit that the jam we are in now has been brought about partly because of policies that have been formulated and carried out in other countries. I realize that when we are exporting such a large percentage of our production we are not in the same position as the United States, but I think that at some point the minister should admit that Canadian farmers have no place to sell their wheat except to his wheat board. He should admit that farmers' marketings for the period from August 1 last until February 8 have dropped from 138 million bushels to 115 million bushels, and that money is scarce.

Mr. Harris: On a point of order, Mr. Chairman, up to this moment I had thought that this was a rather model committee of the whole. The questions that have been addressed to the government have been pointed and on the clauses concerned. The opinions expressed have been opinions with respect to the clauses concerned. But my hon. friend is now saying in a different form arguments he has used at least twice, if not three times, on the motion for second reading and the amendments thereto. Remarks of that kind are out of order in committee of the whole, and while I appreciate the fact that he may have quoted me in his last remarks I suggest that he should direct his remarks to the particular clause under discussion.

Mr. Quelch: Mr. Chairman, the Minister of Trade and Commerce stated that the rate of interest under the bill was no higher than the rate of interest under the Farm Improvement Loans Act. That is true. It is also no higher than the rate of interest under the Veterans Business and Professional Loans Act. But the minister must be aware of the fact that when both these measures were before the house a number of members on this side of the house and I think some of the members on the other side of the house objected when we were in committee to a rate of 5 per cent being charged when the loans were being guaranteed by the government. I think members on all sides of the house felt that when loans were guaranteed by the government the chartered banks should be able to make them at less than 5 per cent.

That is why some of us wonder whether or not the government endeavoured to get the chartered banks to make loans at a lower rate than 5 per cent where the loans are guaranteed by the government. It may be argued that the banks perhaps said they were not going to make loans at less than that rate. On the other hand, the government is of course in a position where it can bring pressure upon the chartered banks to make loans at less than 5 per cent. If the government wish to do so they have the power to tell the chartered banks, "You will have to make loans at less than 5 per cent or we will have to take action to make loans available at that rate ourselves."

All that would be necessary would be for the government to say to the chartered banks, "Now, if you do not make loans at less than 5 per cent we will get the money from the Bank of Canada; then we will increase the cash reserve requirements of the chartered banks so you cannot use that money issued by the Bank of Canada for the purpose of expanding credit." If that were drawn to the attention of the chartered banks I believe they would probably think twice before they would refuse a request by the government to make loans at less than 5 per cent.

Remember that some years ago we had Mr. Towers before the banking committee, and he told us that he estimated it cost the banks approximately 3 per cent to create money. If it costs the banks 3 per cent to create money, then surely on loans guaranteed by the government they should be prepared to make loans at cost. As has already been pointed out, they are making loans at cost, if 3 per cent is the cost, to the wheat board, and they are making loans to the wheat pools at approximately $3\frac{3}{4}$ per cent, just three-quarters of one per cent above their cost as estimated by the former governor of the Bank of Canada. In view of that fact I think it would be interesting to know whether or not the government did attempt to get the banks to make loans at a lower rate than 5 per cent.

Mr. Hamilton (York West): Mr. Chairman, since I asked the same question as the last speaker some time ago I want to say that I dissociate myself entirely from any suggestion that the banks should be forced to deal in any manner whatsoever. In my view whatever should have been done in this case should have been done by open negotiation and mutual agreement. Am I to take it

from the silence of both the Minister of Trade and Commerce and the Minister of Finance that no round table discussions were held and no case was put forward for the farmers to see if a lower rate of interest could not be obtained in connection with these loans?

Mr. Harris: Of course not, Mr. Chairman.

Mr. Hamilton (York West): We are glad to have you answer.

Mr. Harris: There were negotiations and conversations over several days with respect to all the terms of the loans that might be made. Opinions were expressed about the rate of interest and whether it should be lower or higher, and as a result of those discussions the conclusion reached is in this bill.

Mr. Cameron (Nanaimo): I have been wondering about the interest rate. It occurs to me that if the government is assuming the ultimate responsibility for these loans now at 5 per cent, the government would be in no worse financial position if they were to borrow the money from the banks at the reduced rates at which governments can borrow from the banks and provide the wheat board with those funds for loans at a recoverable rate of interest, which would restore to the treasury all the funds they would be advancing and at the same time provide loans at a rate of interest much more favourable to the farmers. I understand that the legislation is intended to benefit the farmers, and it seems to me that consideration might have been taken into account by the government.

Mr. Cardiff: I should like to ask why, if it is possible to lend the wheat board money at 3½ per cent or whatever the percentage is, it is not possible to lend it to the farmers at the same rate?

Mr. Howe (Port Arthur): I think I can answer that. At the moment the wheat board loan amounts to approximately $450 million. One piece of paper covers the loan of $450 million. I think my hon. friend will realize there is a good deal of work involved in putting any loan through and that, with the average loan under this legislation being about $800 and the average period being six months, it might be a little more costly to make small loans than a big loan.

Mr. Cameron (Nanaimo): Can the Minister of Finance tell me whether he considers that the treasury would have been in an adverse position if they had followed the course I suggested?

Mr. Trainor: What the Minister of Trade and Commerce is really saying is that it is a question of the service charge being different with regard to the two types of loans. I wonder whether any figure has been worked out as to just what is the cost of servicing these individual loans, and I should like to ask whether the service charge could not be assessed against the borrower rather than the interest charge.

Mr. Howe (Port Arthur): The service charge is assessed against the borrower through the interest rate. I do not think the borrower would want to owe some indefinite service charge in addition to the interest rate.

Mr. Trainor: Would it not be possible to separate the two? Presumably the interest rate is the profit for the banker in addition to the service charge for his services. Would it not be possible to separate the two so the farmer would merely pay the service charge on the loan?

Mr. Howe (Port Arthur): I suppose anything is possible.

Mr. Cameron (Nanaimo): I should like to ask the Minister of Finance again whether he would agree that the government would be assuming no greater risk of loss of public funds if they had proceeded on the course of borrowing the money themselves from the banks at the rates which are available for government borrowing and had advanced the money at the same rate, with a slight addition for carrying charges, to the farmers through the wheat board. Would their risks have been any greater, and would there have been any loss to the treasury by following that course?

Mr. Harris: Mr. Chairman, we do not normally go into that business, although my hon. friend may very well say if his party were in office they would do so. However, I do not recall an occasion in the past when a transaction of the nature he has mentioned has been undertaken. Perhaps I am wrong in that regard. But our guarantee is a guarantee of a certain percentage of losses. It is not a guarantee of all losses. As I take it, my hon. friend's description of what he was going to do would mean that we would suffer all the losses that might occur.

Mr. Cameron (Nanaimo): Yes, Mr. Chairman. But I imagine that the government have statistical data upon which they base their guarantee of a percentage of the losses. From past experience they knew that the losses were not likely to exceed that amount. In fact I think they are fairly sure that they are not going to approach that percentage. I cannot see that there would be any more likelihood of the farmers being

unable to repay the loans if they came from the government than there would be if they came from the banks.

The Deputy Chairman: Shall the clause carry?

Some hon. Members: Carried.

Mr. Argue: No, Mr. Chairman. I wonder whether either the Minister of Finance or the Minister of Trade and Commerce discussed with the various elevator companies whether or not the elevator companies might be prepared to make such loans through their own facilities?

Mr. Howe (Port Arthur): The matter has been discussed. It was certainly discussed with them when the 1951 legislation was being considered. I discussed it with several of them when the question of assistance last autumn was being considered. Certainly no responsible elevator owner wants to be an intermediary in a matter of this kind.

Mr. Argue: The information I was given—it is now two or three years ago—along with some of my colleagues is that the Saskatchewan wheat pool at the time of the 1951 legislation made an offer to the government of the use of its facilities in making such advances to farmers. If my memory serves me correctly they made an offer to provide advances to farmers for an aggregate guarantee of 2½ per cent. I am wondering whether this time the minister received any offer from any of the elevator companies suggesting that they would be prepared to make the advances.

Mr. Howe (Port Arthur): I think that is correct, Mr. Chairman. I think the Saskatchewan wheat pool undertook to handle the loans under a government guarantee. I am certain that the interest rate was not going to be 2½ per cent. That might have been the service charge by the elevator company, with the interest rate in addition. That was on the understanding that the government was to provide the funds. But it was the only elevator company that indicated any wish whatever to handle those accounts. I think there has been a change of heart there, because we received no such offer this time.

Mr. Argue: I do not know whether or not there was a change of heart—

The Deputy Chairman: Order. I think perhaps it is my duty to point out to the committee, before this interesting discussion goes further along these lines, that we are dealing with a financial or money bill, and that in the bill we are bound by the terms of the resolution which preceded it. That resolution read in part as follows:

> That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans . . .

I say with some regret—because this is an interesting discussion—that I do not think, under that resolution, we now have the authority to discuss alternative methods of making the funds available to farmers. Those alternatives were discussed at great length on the resolution. I feel obliged to say that we are now bound not by the words of this bill but by the general principle of the bill, and that our job is to go over the wording of it clause by clause and to decide whether those clauses shall pass or not pass or be amended.

Mr. Argue: Mr. Chairman, I was not endeavouring to open up a discussion that had already taken place, and I was not endeavouring to discuss the advantages or disadvantages—whatever hon. members might think—of a system of providing advances or loans or whatever you might wish to call them through the elevator companies. But when there is a provision that the government shall guarantee 10 per cent of the aggregate loans to the banks, I think it is relevant to ask questions and to point out—depending upon the type of answers that may be given—that some other alternative might have been available that would have made it possible for the government to make a much smaller guarantee.

When we are discussing the guarantee, which is 10 per cent, if it is true that an elevator company at any time in the past has offered to take a much lower guarantee, it seems to me that pointing out that fact, if it is a fact, is certainly relevant to this bill and to this section. The treasury is committed to a certain guarantee. Surely it is the duty of members of parliament to explore the situation and find out whether there was an alternative that would have provided for a much smaller guarantee.

The suggestion has been made by a number of hon. members that since this is an iron-clad guarantee by the government, the banks should be prepared to reduce their interest rate from 5 per cent to 3 per cent or something in that neighbourhood. If some other facilities had been used, even if a service charge had to be added to the 3 per cent, it is my opinion that we could have made advances to farmers at an interest below 5 per cent, or else at an interest rate below 5 per cent through the facilities that they are ordinarily accustomed to use. They would be just as much opposed to paying one body an interest rate as they would be to paying any other body. But had other facilities been used, certainly there would have been much more convenience in dealing with this type of thing than there is by using the banks and the guarantee.

Reference to Unparliamentary Remark

The Deputy Chairman: Shall the clause carry?

Mr. Argue: No.

The Deputy Chairman: Shall I report progress and ask leave to sit again?

Some hon. Members: Agreed.

Clause stands.
Progress reported.

PRIVILEGE

MR. REGIER—REFERENCE TO REMARKS IN DEBATE THIS DAY

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I rise on a question of privilege. In the debate on Bill No. 82 this afternoon the hon. member for Rosthern said that members of the C.C.F. had called Mr. Parker of Manitoba a rat. I was one of those who echoed the Tory interjection "He is a rat". I thought the reference was to the hon. member who had the floor, namely the hon. member for Springfield (Mr. Weselak). I did not have any intention of calling the elected head of the Manitoba wheat pool and the friend of the Minister of Trade and Commerce any names whatsoever.

Since that time, Mr. Speaker, it has been pointed out to me that it is unparliamentary to call even a member of this house a rat, and I therefore withdraw that remark.

Mr. Dinsdale: Mr. Speaker, on the question of privilege, I believe I understood the hon. member to suggest that he was merely re-echoing a Tory sentiment. I am sitting on the extreme left of the so-called Tory group in this house, and I would like to state quite emphatically that the interjection referred to by the hon. member came from the quarter farther left than where I sit.

The Acting Speaker (Mr. Applewhaite): I suggest to the house that perhaps this afternoon nobody intentionally called anybody else a rat, and if they did it is to be considered withdrawn.

Mr. Tucker: As a matter of fact, I raised the point so that whoever did say it could rise in his place and say that he did not intend to cast any aspersion. When I pointed out that this was an unwarranted aspersion on a great Manitoba citizen and that it should be stricken from the record there was not a word from the C.C.F. opposition.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall continue with this tomorrow; then take the other wheat bill, and then the motions with respect to setting up committees.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

PUBLIC BUILDING, NANAIMO, B.C.

Question No. 147—**Mr. Hamilton (Notre Dame de Grace):**

On what date was the new public building in Nanaimo, British Columbia, completed and ready for occupancy?

Answer by: **Mr. Winters:**

The building will be ready and officially opened on February 29, 1956.

GREAT LAKES FISHERIES COMMISSION

Question No. 150—**Mr. Robinson (Bruce):**

1. What are the names of the plenipotentiaries representing Canada in connection with the Great Lakes Fisheries Convention Act?
2. What are the names of the personnel of the Canadian section of the great lakes fisheries commission mentioned in article II of the act?
3. What progress to date has been reported from the Canadian commission to the Department of Fisheries?
4. What are the different methods used by the commission to combat the lamprey eel menace?
5. Have there been any chemical control tests made towards combating the lamprey eel? If so, what results have been obtained?
6. Since the act was passed, what work has been carried on in lake Huron and Georgian bay towards combating the lamprey eel menace?

Answer by: **Mr. Sinclair:**

1. A. D. P. Heeney; Stewart Bates.

2. Dr. A. L. Pritchard; Dr. W. J. K. Harkness; Dr. A. O. Blackhurst.

3. The commission has not yet held its first meeting as the United States commissioners have only recently been appointed.

4. The action to be taken by the commission cannot be forecast, but up to the present the following control methods are or have been in use on both the Canadian and United States sides of the lakes:

(a) Electrical barriers in spawning streams;

(b) Mechanical barriers in spawning streams (nets and dams);

(c) Habitat change; gravel beds required for spawning are removed or covered with other material such as cement;

(d) Application of materials toxic to lamprey.

5. Yes. Results have been favourable in areas where young lamprey are congregated in streams. No material yet available for economical treatment of whole river systems. United States investigators have recently discovered specific poisons which will kill immature lampreys in the streams and not affect other fish. Results of experiments and assessment of costs in this respect have not yet been released.

6. The act came into force concurrent with ratification of the treaty only in October last, and there are no significant lamprey runs in the winter. One electrical barrier on Thessalon river and trap-nets on several small streams flowing into the north channel and Georgian bay will be operated again next summer.

FISHING PRIVILEGES, LOCKPORT LOCKS, MAN.

Question No. 157—**Mr. Knowles:**

1. Has any action been taken rescinding the privilege of fishing off the concrete wall at the locks at Lockport, Manitoba?
2. If so, what is the reason for such action?
3. Has fishing from this wall been prohibited at any time in the past?
4. If the privilege of such fishing has been rescinded, will consideration be given to reinstating the same?

Answer by: **Mr. Winters:**

1. Yes.

2. During the summer of 1955, the privilege was withdrawn as the result of a minor accident.

3. See answers to Nos. 1 and 2.

4. Yes, if adequate assurance can be obtained from the anglers concerned that the privilege will not be abused.

UNEMPLOYMENT OFFICE, WINDSOR, ONT.

Question No. 159—**Mr. Fraser (Peterborough):**

1. Is the unemployment office in Windsor, Ontario, to be equipped with air conditioning?
2. If so, at what cost?
3. Does the government own the building in which this office is located?
4. Have plans been made to instal air conditioning in government offices in other centres?

Answer by: **Mr. Winters:**

1. Plans are being studied.

2. Cost not known at present.

3. Yes.

4. No over-all plans have been made. Each case is studied on its merits.

POST OFFICE BUILDING, TEESWATER, ONT.

Question No. 162—**Mr. Robinson (Bruce):**

1. Did the Department of Public Works receive a petition, dated January 11, 1955, requesting that a new post office be built at Teeswater, Ontario?
2. If so, on what date?
3. Has any work been done on the site purchased for the new post office building at Teeswater, Ontario?
4. If so, what type of work?
5. Have plans been made to erect the post office on the above mentioned site?
6. If so, for what size and type of building?
7. When is it expected this building will be completed?
8. Will there be living quarters in the building for the postmaster?

Answer by: **Mr. Winters:**

1. Yes.

Questions

2. January 14, 1955.
3. No.
4. Answered by No. 3.
5. Plans are in the process of preparation.
6. A one storey building of brick veneer construction approximately 46' by 40', without basement.
7. Approximately the end of the year.
8. No.

FISH AND DRAGGER STATISTICS, GLOUCESTER COUNTY, N.B.

Question No. 164—**Mr. Robichaud:**

1. What was the total catch of (a) cod; (b) flounders or plaice; (c) haddock, landed in Gloucester county, New Brunswick, in each of the years, 1953, 1954, 1955?

2. What was the total number of draggers licensed in Gloucester county, in each of the fiscal years, 1953-54, 1954-55, 1955-56?

Answer by: **Mr. Sinclair:**

1.

	1953	1954	1955
	Quantity '000 lbs.		
(a) Cod	17,663	23,189	27,459
(b) Flounders or plaice	6,968	7,829	12,694
(c) Haddock	547	2,468	892

2. 1953-54, 42; 1954-55, 49; 1955-56, 55.

HOUSE OF COMMONS

Friday, February 24, 1956

The house met at eleven o'clock.

GREAT SEAL

ANNOUNCEMENT OF CHANGE IN DESIGN

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I desire to inform the house that Her Majesty the Queen has approved the adoption and use by the government of Canada of a new Great Seal of Canada.

Since confederation the design of every Great Seal of Canada has comprised the effigy of the reigning sovereign seated on the throne, crowned and robed, and holding in each hand the orb and sceptre, or sword; also the Canadian armorial bearings, and around the rim an inscription of the title and name of the sovereign. The design of the new Great Seal which Her Majesty has now approved is of this design, with the bilingual inscription "Elizabeth II Queen of Canada—Reine du Canada".

The design shows Her Majesty wearing the St. Edward's crown with which the Queen was crowned at Westminster, and this crown also surmounts the whole armorial bearings of Canada, in addition to being part of the crest.

INCOME TAX

PREMIUM IRON ORES—ALLEGED INTERFERENCE IN UNITED STATES TAX APPEAL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. What is the justification for, and what was the purpose of, his intervention by telegram to the United States secretary of the treasury asking for delay in a civil suit against Cyrus Eaton in connection with certain copper interests, or the formation of a certain copper company? What is the basis of his intervention?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, in the first place there was no intervention on behalf of Cyrus Eaton at all. The intervention was to ask for the postponement of a tax appeal against Premium Iron Ores, which is a Canadian company. Representations were made to me by Canadians who are interested in that company. They contended that there was double taxation. A tax agreement we have with the United States provides that there shall not be double taxation. The intervention was in order to give Canadians who are interested in Premium Iron Ores more time to process their objections.

Mr. Fleming: May I ask a supplementary question? Who were the Canadians at whose request the minister intervened?

Mr. McCann: Well, one very important Canadian was the president and manager of the Steep Rock iron mines.

Mr. Fleming: Others?

Mr. McCann: Others, yes.

Mr. Knowles: May I ask a supplementary question? In view of the minister's statement that the attempt is to avoid double taxation, can he say whether any Canadian income tax has been imposed with respect to these transactions?

Mr. McCann: Mr. Speaker, I am sorry, I did not get the whole of that question. It will either have to be repeated or I shall take it as a notice.

Mr. Knowles: I said, in view of the minister's statement that the attempt is to avoid double taxation, will he say whether any Canadian income tax has been imposed with respect to these transactions?

Mr. McCann: Yes, the Canadian government has collected from Premium Iron Ores all the taxes that are required of them and all that they owed.

Mr. Fleming: I should like to follow up the minister's answer given to a previous question. Is it not a fact that the Steep Rock iron mines are controlled by Mr. Cyrus Eaton? And second, as the minister referred to Canadians at whose request he intervened, could he tell us who the others were?

Mr. McCann: Mr. Speaker, I do not know where the control of Steep Rock iron ore mines lies. All others who made representations were legal people connected either with Steep Rock iron mines or with Premium Iron Ores.

Reference to Unparliamentary Remark

PIPE LINES

TRANS-CANADA PIPE LINES—EXCLUSION FROM CAPITAL EXPENDITURE FORECAST

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Does the exclusion of Trans-Canada Pipe Lines Limited from the minister's forecast of capital expenditure in the coming year indicate that the minister does not expect construction of the line this year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, in preparing the forecast of capital expenditure the department is instructed not to include a project that is not definitely financed. The pipe line eastward from Alberta was not included.

My hon. friend is asking if I expect it to be built this year. I do; however, it is not advanced to a point where we thought we should include it in the forecast of capital expenditures.

SHIPPING

SINKING OF DEPARTMENTAL VESSEL "HILUNGA"

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Some days ago I asked the Minister of Transport (Mr. Marler) whether or not the public works vessel *Hilunga* which foundered on the west coast last week was designed only for service in minor waters, class 1, whereas she foundered in minor waters, class 2. My understanding was that the Minister of Public Works would answer that question. Perhaps he would take this as notice and give an answer at the first of the week.

Hon. Robert H. Winters (Minister of Public Works): I shall be glad to do so, Mr. Speaker.

PRIVILEGE

MR. REINKE—REFERENCE TO REMARKS IN DEBATE OF FEBRUARY 23

Mr. R. E. Reinke (Hamilton South): Mr. Speaker, on a question of privilege, I was in the house yesterday afternoon when the hon. member for Springfield (Mr. Weselak) was speaking and he made reference to Mr. W. J. Parker, president of the Manitoba pool elevators, and a remark was interjected from the opposition side reported on page 1471 of *Hansard* and attributed to an hon. member—"He is a rat."

Further along in the debate the hon. member for Rosthern (Mr. Tucker) brought this to the attention of the Speaker and Mr. Tucker had this to say at page 1472:

> Mr. Speaker, on a point of order, when Mr. W. J. Parker, president of the Manitoba wheat pool, was referred to by the hon. member who has just spoken, I distinctly heard a statement from the C.C.F., "He is a rat." I think it is shameful that a man of the high standing of Mr. W. J. Parker should be characterized in this house by any hon. member as a rat. I think that should be struck from the record.

Further along the hon. member for Portage-Neepawa (Mr. Weir) said:

> Mr. Speaker, on a question of privilege, I want to join my hon. friend from Rosthern (Mr. Tucker) in protesting vigorously against that type of language.

The Deputy Speaker ruled on this question of privilege and I would suggest he ruled correctly. I would like, Mr. Speaker, to be dissociated, as a member who was sitting in the house at the time, from this remark and I suggest that where it says on page 1471 "An hon. Member: He is a rat", it should say, "An hon. C.C.F. Member: He is a rat".

Mr. Knowles: Mr. Speaker, should the record not be made complete? Should not reference also be made to the fact that at the conclusion of last night's sitting my colleague the hon. member for Burnaby-Coquitlam (Mr. Regier) indicated that however it came about it was he who used the words, whereupon he withdrew them without reservation?

Some hon. Members: No, he did not.

Mr. Harris: I agree with my hon. friend up to a point, but if you recall the apology which was tendered—I have not seen the record to see if it carries it—my recollection is that the hon. member said that apparently it was not within his competence to refer even to an hon. member of parliament as a rat.

Mr. Speaker: I will have to look at the whole record. I see what happened as reported on page 1471 of *Hansard*, and as referred to by the hon. member for Hamilton South (Mr. Reinke), but the withdrawal which the hon. member for Winnipeg North Centre (Mr. Knowles) refers to might have taken place while the house was in committee. I cannot find it at the moment.

Mr. Knowles: It will be found on page 1510 of *Hansard* for yesterday at the conclusion of the sitting when Mr. Speaker was in the chair.

Mr. Speaker: I have not had an opportunity to peruse what is recorded on page 1510, but I think it would be much better if expressions of this type did not reach our record. There is no question about that. I do not think

that hon. members will insist that an expression like that remain in the record. I do not think we should have expressions like that as applied to anyone remain in our record. As I say, I was not in the chair at the time. The matter is being brought up now and as far as I am concerned I think hon. members will agree that if it is possible the expression therein contained should be eliminated from the record. I think all hon. members would be of that view. It is just as simple as that If hon. members want to make a case of it, I shall study the point and give a ruling later. However, I take it that that would be the general view. Is it the general view that this expression be eliminated from the record?

Some hon. Members: Agreed.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I am not quite clear as to the extent to which elimination can take place. There is a question of privilege I wish to raise. The hon. member for Burnaby-Coquitlam (Mr. Regier), in admitting that he had used this term, then in a manner which was not in keeping with the ordinary decencies of this house tried to place the blame upon the Conservative party. He used these words:

> I was one of those who echoed the Tory interjection "He is a rat."

I wish to put it clearly on the record that there was no such interjection. I was in the house during the discussion and it was most unfair, most improper and not in keeping with the decencies of this house. In accepting responsibility for the statement, to whomever it was directed, the hon. member should accept full responsibility and not try to divest himself of any measure of responsibility for this improper statement.

Mr. Speaker: While the Leader of the Opposition was speaking I had a chance to read the remarks of the hon. member for Burnaby-Coquitlam as recorded on page 1510. I think that so much has been said there that our elimination from the record of the expression on page 1471 would necessitate the elimination of whatever is recorded on page 1510. That would be too much of an alteration in *Hansard*. I think there is only one way to deal with it now, that is for the hon. member for Burnaby-Coquitlam to stand up and withdraw unreservedly the expression which has been used.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, on a question of privilege, as I said yesterday, I withdraw that remark and I do so in its entirety. However, I cannot tell a lie; my ears heard the interjection.

Some hon. Members: Oh, oh.

Mr. Regier: I withdraw even that.

Mr. Speaker: The hon. member is to be lauded for saying that he cannot tell a lie, but I would suggest to him that he would do well if he would withdraw without adding anything else.

Mr. Regier: I should like to do so, with your permission.

Mr. Drew: Mr. Speaker, I should like to point out that the hon. member has successfully placed on the record a statement which is untrue. I was in the house and so were other hon. members of this party and no member of the Conservative party made any such remark. That remark came from the hon. member for Burnaby-Coquitlam and he should accept full responsibility for that contemptible remark.

Mr. Speaker: I understand that at my request the hon. member for Burnaby-Coquitlam has withdrawn without any reservations whatever. I think we might well be satisfied with that withdrawal.

GRAIN

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

The house resumed, from Thursday, February 23, consideration in committee of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain—Mr. Howe (Port Arthur)—Mr. Applewhaite in the chair.

On clause 3—*Minister's liability to a bank.*

The Deputy Chairman: Order. May I take the liberty of pointing out to hon. members that it is unfair to expect any member of the house to open this discussion with the noise that has been going on. I know that there is always this little disturbance while we get settled down, but let us please keep it as quiet as possible, because one of these times it may be ourselves who wish to speak, and I think we should extend the same courtesy to others as we would expect them to extend to us.

Mr. Nicholson: Mr. Chairman, I wonder if the minister could make a comment or two in regard to subclause (1) (e) (ii) at the bottom of page 2. This reads:

> fifteen hundred dollars, minus the aggregate, at the time of the application for the loan, of the moneys that have been paid or are payable for the sale of grain delivered by or on behalf of the borrower under his current permit book before the making of the loan and on or after the 1st day of August, 1955, other than for grain delivered and entered in the permit book as the balance of the 1954-55 eight bushel quota.

I wonder if the minister would indicate how the owner of the land might be eligible if he has been renting it. Common practice has been for a farmer, when he retires, to rent his land to his son or to a neighbour so that the owner pays the taxes and the renter pays one-third of the crop to the landlord if and when it is sold. Let us take a typical case where the crop is 6,000 bushels. The landlord is entitled to 2,000 bushels, and the renter has 4,000 bushels, out of which he must pay all operating costs, but the landlord must pay his taxes. At the present time the landlord will have difficulty in getting any cash until the renter has been able to market at least eight or ten bushels per acre. I wonder if the minister could indicate what provision, if any, has been made for the owner of the land to receive assistance under the subclause I have just mentioned.

Mr. Howe (Port Arthur): I thought I had made it clear that only the actual producer of the grain is entitled to borrow under this bill. The relations between the owner and his tenant are whatever they are under the law; but, so far as this bill is concerned, only the producer can borrow.

Mr. Nicholson: As I pointed out, the landlord is committed to pay the taxes. That is an essential part of the operation of any farm. Normally the tenant would deliver to the landlord his third of the crop by Christmas time, but under the present set-up the tenant must have at least 5 bushels per acre to meet actual cash disbursements. It seems to me that quite a large number of the owners of the 200,000 farm units in the prairie provinces are retired. They are too old to work the land and do not have a permit book. It seems to me there should be some provision for them. If a retired farmer has 2,000 bushels of grain which cannot be delivered it should be possible for him to get some assistance so that he can meet his taxes and pay his grocery bill.

Mr. Howe (Port Arthur): It seems to me that my hon. friend is putting up a straw man. If the tenant could deliver his grain freely he would give the farmer one-third of the money. If he borrows from the bank I suppose he can still give the farmer one-third of the money. The position is unchanged. The regulation is exactly the same as in the 1951 bill, and I am told that no single instance of the kind mentioned by my hon. friend was ever raised.

Mr. Johnston (Bow River): I should like to say a word on this clause. If I interpret paragraph (e) (ii) of subclause 1 correctly, $1,500 is the maximum amount that a producer can get. I also understand that if a producer has sold grain to the value of $1,000 he would only be entitled to an additional $500. If that is so I think it should be changed so that once the legislation comes into effect the producer may be entitled to get the full $1,500 regardless of whether or not he has in the past sold a few bushels of grain. As far as I can see, it should not make any difference whether he has already sold some grain before the coming into effect of the legislation. He should still be entitled to the full $1,500.

The bank is not bestowing a favour on the producer. The bank is carrying on a legitimate business for which they are being paid a fairly handsome rate of interest with an absolute guarantee. Therefore it seems to me that this is an imposition on the producer and he should be allowed to get the full $1,500 when the legislation is passed regardless of whether or not he has previously sold any grain.

Mr. Hansell: I should like to call attention to paragraph (d) of subclause 1 in which the rate of interest of 5 per cent is mentioned. Yesterday the hon. member for Acadia rose and put in rather concise form the fact that the government was in an excellent position to persuade the banks to grant these loans at cost. I agree with that and I do so on this basis. After all, I take it that the purpose of this piece of legislation is to meet an emergency. If an emergency had not arisen there would be no need for the bill. I am not going into a detailed discussion on that point. We all know the background and the reasons for the bill. The farmers have claimed that they need money by reason that they cannot sell their grain. Part of the responsibility for disposal of the farmers' grain falls on the government.

Now then, the government recognizes that this emergency exists and they have introduced this bill. But the fact remains that the farmers are going to be burdened with 5 per cent interest on a tragedy for which they are not responsible. Because of these circumstances we believe that it would not be unreasonable that in emergency legislation of this kind the banks be asked to lend money at cost. The other feature is that the banks are going to be guaranteed against loss. There will be very few losses sustained when the government, through this legislation, is going to guarantee the banks against loss.

Now, let me read what the hon. member for Acadia said yesterday at page 1507 of *Hansard,* the second column:

> That is why some of us wonder whether or not the government endeavoured to get the chartered banks to make loans at a lower rate than 5 per cent where the loans are guaranteed by the government.

Now, I will skip a piece here for the sake of brevity and read from the middle of the page. The hon. member for Acadia said:

> Remember that some years ago we had Mr. Towers before the banking committee, and he told us that he estimated it cost the banks approximately 3 per cent to create money. If it costs the banks 3 per cent to create money, then surely on loans guaranteed by the government they should be prepared to make loans at cost. As has already been pointed out, they are making loans at cost, if 3 per cent is the cost, to the wheat board, and they are making loans to the wheat pools at approximately 3¾ per cent, just three-quarters of one per cent above their cost as estimated by the former governor of the Bank of Canada.

Now, the following sentence is the pertinent one:

> In view of that fact, I think it would be interesting to know whether or not the government did attempt to get the banks to make loans at a lower rate than 5 per cent.

Then the hon. member for York West spoke. The government did not answer that question, and I think it would be interesting to know, in their talks with the representatives of the chartered banks, as to whether or not the banks were willing to grant loans at cost or grant loans at 3 per cent or 4 per cent, and what persuasive arguments the government used by reason of the emergency to ask the banks to grant loans at cost. I think that question should be answered and therefore, Mr. Chairman, I am going to move an amendment. It is a simple one. I move:

> That section 3 subsection (1), clause (d) be amended by deleting the words "five per cent", and substituting therefor the words "three per cent".

Mr. Howe (Port Arthur): It is quite impossible to do that because that would be imposing a unilateral change in an agreement. In other words, there is an agreement between the banks and the government and it has been outstanding for some time. The banks have lent large sums of money on the strength of the exchange of letters with the Minister of Finance. Personally, neither myself nor this party will agree to repudiate the signature of the Minister of Finance which is the signature of the government of Canada. If my hon. friend thinks that is good Social Credit practice we of the Liberal party do not believe it is sound government practice.

Mr. Coldwell: I do not think that is the question at issue, if I may say so with all due respect to the minister. That is not the question.

The Deputy Chairman: Order. I see the hon. member for Macleod.

Mr. Hansell: Mr. Chairman, I know the minister is aggravated. The debate has been going on for a long time, and we are now on a very important section of the bill. But I think that the minister's interjection "if that is good Social Credit practice" is entirely uncalled for. I will tell the minister what good Social Credit practice would be, and that is to bring down a bill and get the authority of parliament before striking an agreement with anyone else. That is what good Social Credit practice would be, and the people of this country should know now that Social Credit members would not override the authority of parliament.

Here is the point, Mr. Chairman. Many hon. members on this side of the house have risen and called attention to the government's flouting of the powers of parliament. Is there an agreement existing between the government and the banks? If there is an agreement existing between the government and the banks, then parliament becomes a rubber stamp.

I can understand how there could be an exchange of letters. That might be all right. I hope there is an exchange of letters between some other interested parties and the government as well as with the banks. The situation is this. The bill is now before us. We are discussing the bill. The committee has a right to amend any bill. It is my proposal that we amend this bill now. I cannot help how impractical it may appear to change the bill. If the government has made any mistake, that is its responsibility, not parliament's. We are saying what kind of bill we want now. This is not even the kind of bill we have been continually advocating. By reason of the defeats of previous amendments we are now forced into the position where we must fight for the best bill possible. We want to pass legislation which we believe in the circumstances is the best piece of legislation obtainable, and we claim now that the interest rate should be 3 per cent instead of 5 per cent. Therefore, we have moved this amendment, and the committee will have to deal with it regardless of whether or not the government stuck its neck out and reached some agreement with the banks. But I must confess I do not like this idea of governments making agreements and then bringing the bills here to be passed and then saying: "You have got to pass it because we have made the agreement".

Mr. Howe (Port Arthur): Mr. Chairman, I should have added that this bill, of course, is out of order. It calls for a change in the interest rate—

Some hon. Members: Hear, hear.

Mr. Howe (Port Arthur): I should have said "this amendment is out of order". It changes the arrangement that has been made. There is no indication whatsoever that the banks

would lend at 3 per cent. It imposes a charge on the treasury, and that of course is not the privilege of a committee of this house.

Mr. Hansell: On a point of order—

Mr. Coldwell: I was going to rise to say very much what the hon. member for Macleod has said. I do not think that the minister's objection is correct. My understanding is that in dealing with a charge on the people of Canada we may not increase the charge but we may reduce the charge on the people of Canada.

Mr. Howe (Port Arthur): On the treasury.

Mr. Coldwell: Well, perhaps that is dealing with something somewhat different. I think the minister is not correct when he says we cannot deal with this matter in committee. When I rose before I was going to make the point that I do not know what the Social Credit principle is, the C.C.F. principle, the Liberal principle, or the Conservative principle, but it is a parliamentary principle that no commitment regarding the expenditure of money shall be approved by this House of Commons before that commitment is made.

Mr. Howe (Port Arthur): That is what we are asking.

Mr. Coldwell: The government should have called parliament together before making this arrangement. And when we vote, as I presume we shall, my colleagues and I will vote for the reduction in the interest rate, but when we do that we shall not be repudiating any agreement that is made. What we shall be doing is failing to confirm the agreement that was undertaken, that was improperly given by the Minister of Finance on this occasion.

The Deputy Chairman: Before the hon. member for Prince Albert speaks may I say I believe the point has been made that the amendment as submitted is out of order in that it increases the charge on the public treasury. I may say now that I am unable to agree with that. Clause 3 (d) says that the act would come into operation if:

> The rate of interest charged by the bank on the loan did not exceed 5 per cent per annum simple interest.

The amendment is that the clause would come into operation if:

> (d) the rate of interest charged by the bank on the loan did not exceed 3 per cent per annum simple interest.

I am not ruling the amendment out of order. The hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Chairman,—

Mr. Byrne: On a point of order, the member for Macleod has just pointed out that the money can be created by the banks in large sums or otherwise at the rate of—

Mr. Hansell: What is the point of order?

Mr. Byrne: Permit me to make this point of order.

The Deputy Chairman: Order.

Mr. Byrne: It will cost 3 per cent to create money, but that does not say that money can be created and administered in small loans as presumed by this legislation, therefore—

Some hon. Members: Order.

The Deputy Chairman: Order.

Mr. Byrne: —therefore it will require more than 3 per cent to lend money to the farmers under this legislation. The banks have said they cannot lend at less than 5 per cent. There would be a 2 per cent administration charge that would be charged to the treasury, and therefore it would be a charge on the treasury. For that reason, the amendment is out of order as there can be no legislation proposed or amended other than by the government. For that reason I feel that the amendment is definitely out of order.

Mr. Knowles: Mr. Chairman—

The Deputy Chairman: Order. If the hon. member for Winnipeg North Centre is going to speak to the effect that this amendment is in order, he does not need to. I am bound here by the terms of the bill, and I am also bound by reasonable results which may flow from any action based on it, but I do not consider that I would be justified in saying that there are going to be a larger number of failures to repay loans because the interest rate is dropped. It is in case of failure to repay loans that the liability of the country comes into effect.

The point raised by the hon. member for Kootenay East is that if the banks charge 3 per cent, then some entirely new arrangement would have to be made whereby the government would have to raise another 2 per cent. With all respect to contrary opinion, I have to say that I cannot see that in this bill, and I cannot see any legal liability on the government of Canada under this bill unless a new section were brought in. In my opinion the amendment is in order in that it does not of itself place an additional burden upon the public treasury.

The hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Chairman, I must say the Minister of Trade and Commerce has just enunciated a new principle of government; in other words, that parliament

must ratify anything that the ministers of the government do. In fact, he said that was a good principle of Liberalism.

Mr. Howe (Port Arthur): Mr. Chairman, my hon. friend is entirely misrepresenting my statement—I say the government must endorse the undertaking of a minister of the government.

Mr. Diefenbaker: Surely the government does not act by itself; it only acts through parliament.

An hon. Member: Not this government!

Mr. Diefenbaker: And this is just another example—

Mr. Gardiner: That is what we are doing.

Mr. Diefenbaker: My hon. friend has joined the chorus. As a matter of fact, this is another example of riding roughshod over the rights of parliament, making agreements. I know my hon. friends on the other side of the house laugh; but, Mr. Chairman, I have heard Mackenzie King, on occasions when he used to speak the tenets of liberalism, say that above everything else parliament should never be placed in a position wherein the government having entered into some arrangement parliament has to pass it. That is the attitude of this minister. It is just another step from 1948 when taxation was imposed by a radio speech.

Mr. Fleming: 1947.

Mr. Diefenbaker: Yes, 1947, when taxation was imposed by a radio speech.

Mr. Howe (Port Arthur): May I ask my hon. friend a question. Would he apply the principle he is just enunciating to treaties between governments?

Mr. Fleming: It is a different thing altogether.

Mr. Diefenbaker: This really is the epitome of nonsense. Since when did an agreement with a banker amount to a treaty between sovereign nations? As a matter of fact, sometimes having regard to the interest the government shows in great interests, I think it actually does believe that some of the great interests have the power to make treaties. Yes, that is a different proposition. I am surprised that the hon. gentleman secured such assistance from the Secretary of State. That is one of the exceptions—that is the only exception, the power that vests in the executive of the day to enter into treaties subject subsequently to be brought before parliament; but this is as yet an agreement with the banks, or a letter to the banks. A letter to the banks in his country does not, I hope, amount to a treaty or anything analogous to a treaty. As a matter of fact, this is just another example of this roughshod riding over parliament. I was amazed at the answer he gave to the hon. member for Macleod: "Huh, we did this; the Minister of Finance wrote a letter; it is going through and we are not going to have any amendments to it."

This is very much in keeping with the statement the Prime Minister made at the bar association meeting here in September—

An hon. Member: You are out of order.

Mr. Diefenbaker: Order? Mr. Chairman, have we arrived at a point where we cannot answer the constitutional misobservations of the government?

The Prime Minister said at the Canadian Bar Association in effect, when explaining the centralization of power in Ottawa: "The people require these things; they are requiring more and more from the central authority, and when they do we have to get the necessary power and the necessary revenue in order to satiate the demands of the people".

Unfortunately that seems to be the trend today, instead of leadership following demand. This example of the hon. gentleman saying, "Well, we wrote a letter and therefore we are not going to countenance any amendments", indicates exactly the degree to which this parliament, in the minister's view, has become simply an instrument to carry out the wishes of the cabinet made by agreement before parliament meets.

We had another example today, the latest one in connection with the Cyrus Eaton matter, which is just another example of what this government does.

Some hon. Members: Order.

Mr. Diefenbaker: It is another example, Mr. Chairman—

Some hon. Members: Sit down.

Mr. Diefenbaker: —of ministers of the crown interfering. In this latter case it is an interference in another country. It was a telegram in the Cyrus Eaton case, a telegram to the United States secretary of the treasury to hold up an action—

The Deputy Chairman: Order. I have no desire to interrupt any hon. gentleman who is entering this debate. Up to the present the hon. gentleman has been answering the point advanced by the Minister of Trade and Commerce as to why this amendment should not be adopted, but I ask the hon. member for Prince Albert to agree with me that if he is allowed to go into the merits of an entirely different case, which perhaps he quite properly referred to as parallel, but if he is going into the merits of something which I understand has to do with income tax on

minerals, then the statements he makes will be answered from other quarters of the house and we will be debating something which is not the question whether the interest rate should be reduced from 5 to 3 per cent.

Mr. Diefenbaker: I was just giving another example of the trend. I need not give any example because the answer of the minister indicates the supreme contempt he has for hon. members of this house. He says, "We wrote a letter"—

Some hon. Members: Order.

Mr. Diefenbaker: —and hon. members of the house must carry it out whether or not we believe it is an agreement which is necessary. It must be carried out whether the individual terms are agreeable or acceptable. I can see no reason, Mr. Chairman, why the suggested amendment should not at least be considered. As a matter of fact, as far as the one in question is concerned, I doubt whether it could be actually affixed to the bill as it is. But to give an answer which says in effect, we wrote a letter, take it or leave it, this dish of crow is yours, is not what we have the right to expect as members of the House of Commons.

Mr. Quelch: When the hon. member for Kootenay East spoke he suggested that we had implied that the cost of the creation of money by the banks was 3 per cent. He then went on to say that that would not cover the cost of servicing the money that had been created. When Mr. Towers in the banking and commerce committee referred to the cost of the creation of money as being 3 per cent he included in that the total cost, the cost of servicing the accounts, the cost of bank premises, the cost of wages to employees, the cost of investigation. That was the over-all cost. Surely hon. members are not so naïve as to think the mere physical action of writing up an account creating credit would cost the banks 3 per cent. That part would be practically costless. The expensive part is servicing the account arising from the creation of that money. There is one other point I want to refer to. When the hon. member for York West followed me he had this to say, as recorded at page 1507 of *Hansard:*

> . . . I dissociate myself entirely from any suggestion that the banks should be forced to deal in any manner whatsoever.

I never suggested in my statement that the banks should be forced. All I suggested was that they should be given the alternative, that either they would make the loans at 3 per cent or the government would. There is no suggestion that the government should force them to make loans at any given rate of interest. The point is that if they did not do it the government should.

Mr. Fleming: The Minister of Trade and Commerce in his latest outburst has introduced the ugly word "repudiation". It is a fantastic use of the word as applied to what is under discussion. This is not a case where any valid obligation binding on the government of Canada is being repudiated or is proposed to be repudiated. If it were I am sure those of us who are members of the official opposition would have nothing to do with it. We do not believe in repudiation; we always have opposed any proposal of repudiation. But the minister is completely mistaken in suggesting that there is now binding upon the people of Canada through the government of Canada any legal obligation. The only obligation that has been created in any sense whatever is the obligation which the government took upon itself by means of a letter written by the Minister of Finance to the banks of this country saying that legislation would be introduced. That is the only obligation there was. There was a moral obligation placed upon the government by that letter, but no legal obligation was created by it. The only kind of legal obligation that could be created would be one created by parliament. The government is asking us to create it, but the minister in this remarkable and silly statement he has made this morning about repudiation, assumes that a legal obligation is in existence now. We have reached the point where the minister is resorting to these utterly fantastic suggestions and charges in order to buttress a position which is so hopelessly weak. He does not attract any strength to the position by resorting to far-fetched suggestions of this kind.

There is no legal obligation in existence today as far as the people or the government of Canada are concerned. Only parliament can create any legal obligation, and that has not yet been done. So let there be none of this silly talk about repudiation as applied to what parliament is engaged in doing now, namely, deciding whether it shall permit the government to create a legal obligation and what shall be the terms of such legal obligation. We have a perfectly free hand in this parliament to decide on what terms we will permit the government to undertake such obligation.

Having been the person who raised the question last evening as to what discussions had been carried on by the government with the banks of Canada in relation to the interest rate, I wish to follow that up with one or two brief observations. I drew attention last

night to the fact that there are a good many people who would be happy to lend money with a guarantee of the government of Canada for an interest rate substantially less than 5 per cent.

There are two kinds of obligation that we have to consider here in a reasonable approach to a question of this kind. There are short-term obligations and there are term obligations. The government of Canada borrows money today on 10-year maturities through savings bonds at a rate of 3¾ per cent. Presumably an obligation with similar maturity terms guaranteed by the government would yield a similar return.

Here we are dealing with short-term obligations. The government guarantee is applied to an obligation which will mature in the ordinary sense in six months, as the minister indicated in his explanation last night. In that field the government today is borrowing at substantially less than the 3¾ per cent which is being paid by the government on 10-year maturities or on maturities of more than 10 years.

On the other hand, in a situation of this kind we have to make some allowance for handling charges. This is not simply a case of the government selling bonds. Some account has to be taken of the fact that these applications for loans must be processed, the bank must make certain investigations, certain prescribed forms must be completed and paper work will have to be done by the bank and in its contact with the government in order to put the guarantee into full effect. Anybody who believes in the scheme of this bill must take account of the fact that something must be allowed to the banks for handling charges.

But this does not yet provide an answer to the question that was asked last night. I think the Minister of Finance was here at the time or at least he had been here just before. He took his departure then and he has not appeared since in this committee of the whole during the discussion of this bill, as I think he should. He is the man who carried on the negotiations with the banks—and after I asked the question the Minister of Trade and Commerce said that he did not have anything to do with the banks, and it was the Minister of Finance who had carried on these negotiations. The Minister of Trade and Commerce said that he did not know what discussions the Minister of Finance had had with the banks about a proper interest rate. So the question remains unanswered because the Minister of Finance has not chosen to be in the committee or to acquaint the committee with the facts. I suggest that this committee ought to have an answer to the question before it deals with the clause and before it deals with this amendment. This committee is entitled to know what was the course of discussion between the government and the banks in regard to the interest rate.

I am sure that the Minister of Finance does not just write a letter out of the blue offering to introduce a bill to provide government guarantees for a scheme of bank loans. Surely the matter of interest rates must have entered into these discussions and before this house takes one step further it ought to be told in the plainest terms by the Minister of Finance what were the discussions and what was the position taken by the banks in regard to the maximum interest rate at which they were prepared to lend. We ought to know what was the government's position. Did the government make any serious effort to obtain for the farmers who will be borrowing under this measure an interest rate lower than the 5 per cent now contemplated?

I suggest to the government that the Minister of Finance should be sent for. He should come into the committee now and answer that question. This house has no right to go ahead passing a measure of this kind in relation to something that is going to be most important for the borrowers without having that information.

Mr. Howe (Port Arthur): My hon. friend is complaining that the Minister of Finance was not in the chamber when the question was asked, but I think I should say that my hon. friend was not in the chamber when the question was answered. If my hon. friend will look at page 1508 of *Hansard* of February 23 he will find that the Minister of Finance gave this answer:

> There were negotiations and conversations over several days with respect to all the terms of the loans that might be made. Opinions were expressed about the rate of interest and whether it should be lower or higher, and as a result of those discussions the conclusion reached is in this bill.

Mr. Fleming: That does not answer the question at all. We wish to know what was the position of the government. What position did the banks take? The minister simply said that there were discussions on various points and that this is the result. That is not an answer to the question. What did the government do? Did the government try to obtain some reduction in this proposed rate? We have not been given that information yet. If hon. members opposite are prepared to proceed without information of this kind, then I must say that I think they are being asked to act irresponsibly.

Mr. McCullough (Moose Mountain): Mr. Chairman, I do not see anything in this clause

that is good. We in this group at every stage of this legislation have endeavoured to have the bill given a hoist or taken from parliament and replaced with something more acceptable to the farmers. I do not agree with the hon. member who has just spoken. I think perhaps there was adequate discussion with the banks, but I think the point that should be made is that the discussion was not with the right people, the people who are going to have to pay the interest, namely the farmers. The farmers have not been given an adequate show in connection with this bill. No decision was made on their behalf. I think it can be truthfully said that the decision was made in accordance with the request of the banks.

I think I speak for this group when I say that we have been against this bill at every step. We would like to see the farmers given a square deal by being given cash advances. We are prepared to support any reduction, small as it may be, which would make it easier for the western farmer. I do not think there should be any interest. As has been said on former occasions, the farmer has done his part, he has produced his year's income in the form of grain now stored on his farm and which he cannot deliver through no fault of his own. The fault lies right on the doorstep of this government. Even a rate of 3 per cent would be easier for the western farmer and it would be better than the rate of 5 per cent presently provided.

Mr. Johnson (Kindersley): Mr. Chairman, there is one point I should like to have clarified by the minister before we go any further. As indicated on page 1498 of *Hansard*, the minister stated:

> These are small loans. The average is about $800, and the period of time would not be over six months.

The length of time the interest is in effect depends entirely, of course, upon the farmer's ability to deliver his grain and to retire the debt. The minister has stated on previous occasions that this legislation is aimed at assisting the small farmer in western Canada. The point I should like to have reconciled is this. How is a quarter-section farmer who is able to get a loan of $1,500 able to repay the loan within six months unless the minister by that statement has guaranteed that there will be at least a 16-bushel quota available at the end of the crop year? The maximum amount that a quarter-section farmer could deliver on even an eight-bushel quota is 1,280 bushels. It is apparent that it would require a 16-bushel quota for this quarter-section farmer to pay off the loan of $1,500 on the basis outlined in this legislation. Is the minister's statement that the interest will not carry on for more than six months a guarantee that there will be a quota of at least 16 bushels at the end of the crop year?

Mr. Howe (Port Arthur): A guarantee of a quota of 16 bushels per specified acre would mean deliveries of about twice that much, that is, 32 bushels per seeded acre. Does my hon. friend know many farmers who can deliver 32 bushels per seeded acre?

Mr. Johnson (Kindersley): He knows the quota is on the specified acreage. You cannot say a quota is 32 bushels when it is only 16 bushels. With an eight-bushel quota, the farmer with 160 acres would deliver eight times 160 bushels, that is, 1,280 bushels.

Mr. Gardiner: There are no such farmers.

Mr. Howe (Port Arthur): There are no quarter-section farmers who plant every acre they have to wheat.

Mr. Johnson (Kindersley): That is worse. He will not have the opportunity to deliver an eight-bushel quota. His opportunity to deliver would be limited even further.

Mr. Howe (Port Arthur): Now, Mr. Chairman—

Mr. Johnson (Kindersley): The minister is revoking the statement he made that the interest would not apply for over six months. He has indicated that it may carry on for a year or perhaps even longer.

Mr. Howe (Port Arthur): I was speaking of the average rate. Just as the average amount of the loan is $800, I said the average period of the loan would not exceed six months.

Mr. Drew: Mr. Chairman, this is an issue which is a little different from a mere question whether three per cent or any other particular percentage is an appropriate amount. What has practically been placed before us as the issue upon which we must vote is whether or not we have the right to vary any provision of this act.

The minister has propounded a doctrine that, because the government committed itself to certain arrangements without consulting parliament we are therefore bound to the detail of those arrangements. I submit that we have not before us the evidence that would make it clear whether or not three per cent is the figure that could appropriately be charged, but I am satisfied that the minister has made the issue here whether we have or have not the right to vary any provision of this bill.

I must say that I do not know—and I do not think any other hon. member knows, including the member who moves this amendment—whether in fact three per cent is the appropriate figure. From day to day the amounts that must be charged by government vary. However, the minister has put this on the ground that we have no right to challenge the rate of five per cent because this government has committed itself to the banks and therefore we must abide by that decision. If that principle were to be accepted, all that would be necessary for the government to do in any case would be to abandon the ordinary procedure, enter into improper arrangements in advance of the meeting of parliament, make commitments to various corporations or other bodies in this country and then come before parliament and say, "Because we have done this, you cannot discuss any variation. We are pledged, and it must ride or fall in detail as we have put it before you." That would deny to this parliament the right of discussion, which is the very foundation of parliamentary democracy. That, I think, is an issue which the Minister of Trade and Commerce does not understand, but he has made that the issue in the amendment that is now before us.

I am reluctant to support an amendment setting forth an exact figure which does not have supporting evidence to tell us whether or not it would be the right amount. But I am prepared to support this amendment as a challenge to the statement of the minister that they have made the commitment for five per cent and that stands no matter what the effects are. On that ground I shall certainly support this amendment as an acceptance of the challenge that parliament has no right to vary any figure in this bill.

I think also that the minister has made a statement here that should not go without notice. He said just a few minutes ago that the government must endorse the decision of a member of the government. We have had brought before us here, by a steady process of prodding and prying and questioning, decisions by various ministers that were unknown to the other ministers. If they were going to follow the course of being committed in every case to what is done by those ministers without the knowledge of the other ministers, then we would indeed have reached a point where parliament would be impotent to guide the affairs of this country. That would apply with more force to the members opposite than to the opposition. It would be the responsibility of the members opposite in particular to challenge a proposition of that kind. That proposition would mean that every hon. member opposite who supports this government is reduced to the role of a rubber stamp and that by his unquestioning vote he denies to this parliament the real freedom of discussion and the formation of opinion which should decide the course of legislation in this parliament of Canada. I hope hon. members opposite will recognize what the issue is here. I for one support this amendment for the reasons I have put forward.

Mr. Howe (Port Arthur): Mr. Chairman, I think I should say that the government has never questioned the power of parliament to change the opinion of the government, whatever might happen to the government. Of course, parliament has that power. My hon. friend says we deny him the right of discussion. It seems to me he has been discussing it at great length, and so have other members. We do not question his right to change the decision of the government. We question whether he has the votes to do it.

Mr. Knowles: There is one piece of evidence that I think should be on the record in connection with this matter. The evidence to which I refer is on the table of the house, in the form of a sessional paper, but I do not think it has yet been placed on the record of *Hansard* so that those who follow *Hansard* might read it.

Reference has been made to the undertaking which the government gave to the banks. The minister said earlier that the government and the Liberal party would stand behind that undertaking. He has confirmed that view now by saying to the Leader of the Opposition that he cannot command enough votes to change the views of the government. In other words, the minister is quite satisfied that those on his side of the house will stand by the government so far as this matter is concerned.

I think it should be pointed out that the Minister of Finance, the Minister of Trade and Commerce and other members of the government have lived up to the undertaking they gave to the banks. Three letters were written to Mr. F. W. Nicks, president of the Canadian Bankers' Association, the Bank of Nova Scotia, Toronto, Ontario.

This evidence is found in three letters which are contained in sessional paper No. 189 which was laid on the table of the house on Monday, February 13. The letters were written on October 28, 1955, November 25, 1955, and January 20, 1956. I want to read only short extracts from one or two of them. In the first letter which was signed by the Minister of Finance there appears this paragraph:

> I am authorized to inform you that legislation in some respects similar to the Prairie Grain Producers Interim Financing Act 1951, will be introduced in parliament at the earliest opportunity to provide for a guarantee by the Minister of

Grain

Finance to the chartered banks of loans made under section 88 of the Bank Act and subject to the following additional conditions . . .

I will not read the conditions. There are about two pages of them. The concluding paragraph in the first letter reads as follows:

Loans made by the banks in advance of the legislation under the terms and conditions above described will become guaranteed loans when the legislation comes into force, and I should appreciate your confirmation that, in the meantime, the banks will participate in making such loans.

Those are the only two references in that first letter to anything that might be called an undertaking. The government undertook to introduce legislation. That is all they undertook to do. I think the letter was poorly worded in the last paragraph when the Minister of Finance used the phrase "when the legislation comes into force." I think he should have had enough respect for the rights of parliament at least to say, "if and when the legislation comes into force."

Some hon. Members: Oh, oh.

Mr. Knowles: Oh, my hon. friends opposite laugh at our concern for the niceties of parliament but the niceties of parliamentary procedure are important. The other two letters, those dated November 25, 1955, and January 20, 1956, indicate changes that were made in the proposed legislation, and all they say that bears on the point now being discussed is that the Minister of Finance is authorized to inform the banks that the legislation to be introduced will be along certain lines. Surely it is clear, Mr. Chairman, that the only undertaking the minister gave to the banks was that legislation would be introduced. That has been done, but surely parliament has the say as to what should happen to that legislation.

Mr. Tucker: I should like to say a word with regard to the rate of interest. In promising to introduce this legislation the government was doing as the farm leaders asked them to do at that time, and naturally they wanted a workable system introduced. There is no use introducing a system whereby the banks would not get a guarantee unless they lent money at a rate of interest at which they would lose money. In other words, if you set the rate of interest too low it would mean that you would be putting a plan into effect that would not work at all. Therefore the only question so far as I am concerned is whether the rate of interest has been set as low as it possibly can be and expect the plan to work.

On that basis I remember what happened when we were putting through the Farm Improvement Loans Act. At that time some of us felt the rate of interest should be lower that 5 per cent. We heard a great deal of evidence and it all went to show that if the rate were set at 4 per cent the banks could not lend at that rate without losing money. They pointed out that if we put the rate of interest at 4 per cent we might just as well not pass the bill because nobody would be able to borrow money under it at that rate.

The majority of the members on that committee came to the conclusion that, although they would have liked to see a lower rate because there was a partial government guarantee, it was more important to the farmer to be able to get money to improve his farm and buy machinery and so on at 5 per cent than for them to make heroes of themselves by setting the rate at 4 per cent with the result that the farmer would not get any money at all. That is why the rate was set at 5 per cent, and obviously when it was set at 5 per cent at that time it was based upon the cost of doing business of the banks and of the money.

A little over one year ago this whole question of cost of making small loans was dealt with in the banking and commerce committee where we had evidence of the experience of the Canadian Bank of Commerce in making small loans. I should like to refer quickly to the evidence given there. During the year ended October 31, 1953, the average amount of loans was $515. During the whole period the plan had been in operation the average amount was smaller than that but that was the average during that year. The bank was charging an effective rate of interest of 10·46 per cent, almost 10½ per cent. Against the plan it charged 2·05 per cent as the cost of providing the money, so it was not charging a high rate for the cost of the money.

In spite of only charging roughly 2 per cent, the cost of doing business in making small loans was such that their operating profit before income tax was 1·46 per cent. In other words, while they charged only 2 per cent against their banking operations for the money they put into the small loan plan, after taking into account the cost of making these small loans their operating profit before income tax was 1·46 per cent. The cost of operation in making these loans in small amounts was such that even though they charged 10·46 per cent to the borrower and were only getting interest at 2 per cent representing the cost of providing the money they only had a profit of 1·46 per cent.

If you take what the bank got out of it by way of interest and profit, 2 per cent and 1·46 per cent, they got 3·46 per cent and

charged 10·46 per cent. So according to the actual figures it was costing the bank 7 per cent to conduct this business. That is 7 per cent over interest. I grant that if loans average more than $500, as they probably will be in this case, it will cut down the cost of doing business, but I ask hon. members this question. If, over and above the cost of the money, it costs the bank up to 7 per cent to administer a small loan plan of this type, even with a low rate of interest of roughly 2 per cent, then are the banks not going to say that they will lose money if we only give them 1 per cent over the 2 per cent representing the cost of the money to do business and will there be any money lent at all when, according to the evidence, it cost them 7 per cent to engage in the small loan business over and above the cost of the money?

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

Mr. Tucker: Surely.

Mr. Coldwell: There was no guarantee of those loans by the government and, second, there was no advertising of the loans and therefore no advertising expense.

Mr. Fleming: And third, they are not secured.

Mr. Tucker: The amount spent on advertising by Canadian Bank of Commerce was only ·15 per cent, just a little over one-tenth of one per cent. So that does not affect the argument. With regard to the partial guarantee, obviously if you say to the banks that you will guarantee them against losses but will only let them collect a rate of interest on which they are going to lose money on every bit of business they do, then you might just as well kill the bill. Everybody must know that. In trying to get a deal with the banks whereby the farmers would get some money the government had to make a deal whereby the banks were likely to lend some money, and had the government done differently the farmers of western Canada would have had a right to complain.

I think I understand the situation of the farmers of western Canada. They need money to meet their living expenses and so on. A rate of 2 per cent on $1,500 for six months would be $15.

I do not think that any farmer would appreciate it or thank us for saying that we are so worried about wanting to save you some interest we are going to prevent you from paying that $15 of extra interest, even if it means you will not get any money at all. If my hon. friends opposite really believe that the farmers need money to carry them over, surely they would not vote for an amendment that would mean this bill was, in effect, killed and the farmers would not be able to get any money at all under the plan. I will have no hesitation in voting against this amendment because the effect of the amendment would be to say to the farmer, we are being so concerned about you that we are going to say you cannot borrow at all. Of course, we will cover it up by advancing the idea we are in favour of low interest rates.

I believe in facing the facts. We have the experience under the Farm Improvement Loans Act and the evidence given to the banking and commerce committee in regard to the Small Loans Act. In the light of the evidence that has been put before the banking and commerce committee over and over again, nobody could suggest that the banks could hope to engage in this business at 3 per cent without losing a lot of money. Then, do my hon. friends opposite say that if the banks are invited to go into the lending business at a point where they are going to lose a lot of money they are going to put out money to the extent required by the farmers? They know themselves that the effect of carrying this amendment would mean that the farmers would get no more money under this plan. Is that what they want? Well, it is not what I want. I should like to see the farmers receive the benefits the government intended them to receive under this legislation, and at a reasonable rate of interest for small loans, namely 5 per cent. I have no hesitation in saying that I intend to vote against this amendment.

Mr. Drew: Mr. Chairman, to use a term that was coined by the Minister of Trade and Commerce, this is rapidly degenerating into a debate. There are one or two things that have been said by the hon. member for Rosthern that require some comment. First of all, there is one correction, and that is that the act that was being considered by the banking and commerce committee was not the Small Loans Act, but the Bank Act. There is also the fact that the kind of loans that were being considered were very different from these. There was no guarantee. There was no security such as there is in this case. In addition to that there was the very large cost of advertising and solicitation to get the loans. The position is not at all comparable.

I have said, without any reservation, that we have not the facts before us that would make it possible to determine exactly what the percentage should be. I view this amendment more in the light of an assertion that we have a right to demand an examination

of the interest rate, rather than a declaration that we know whether it should be 3 per cent or any other amount. I quite recognize that what the Minister of Trade and Commerce has said is correct. We have the right of discussion, but it is more than the right of discussion that is involved. There at least must be the inference that the government is prepared to listen to arguments. After all, the right of discussion has no meaning in the light of the proposition put forward by the Minister of Trade and Commerce when he said, we do not question that you have the right of discussion but we question whether you have the votes. In other words, it does not make any difference what you say; you go ahead and talk, but if we have the votes we will just simply go ahead. Of course, implicit in everything that has been said is that we will crack the whip and our followers will toe the line.

In this proposition there is more than the substance of the amendment. It is a question of whether discussion in this house is still an attempt to try to reach some reasonable conclusion. We have put forward a proposition that has been dealt with, and I cannot suggest to you whether or not it was wise, that is that this should have been referred to a committee.

An hon. Member: You are out of order.

Mr. Drew: I am not out of order at all. We would have provided an opportunity in that way. I still suggest to this government that in the light of the discussion that has taken place this morning they consider the advisability of providing an opportunity not only to the farmer representatives but to the representatives of the banks as well, so that we could have the facts before us in regard to this case. In so far as the argument used by the hon. member for Rosthern is concerned, I can only express some measure of satisfaction that he did not make that argument over television in western Canada or some more television sets might have been endangered as a result.

Mr. Quelch: I find it very difficult to believe that the hon. member for Rosthern was really serious when he was trying to get us to believe that making loans under the small loans branch of banking is comparable to making loans under this legislation. The loans under the Small Loans Act are very small. They go down to $50. The average loan under this legislation to date is $800; that is a fairly large sized loan. Is he going to suggest that making loans of an average size of $800 is similar to making loans under the small loans branch, which is a very specialized form of making loans? The fact is that the small loan companies have been charging 2 per cent per month in the past and that shows a rate very much higher than general banking practice. The fact that the Bank of Commerce was charging around 10 per cent for small loans while they were charging an average of 5 per cent or 6 per cent on their general banking practice shows the big difference between the two.

As the Leader of the Opposition has pointed out, under the small loans branch the banks have the cost of investigation, the cost of a chattel mortgage and various things. Under this legislation they have wheat in the bins. In addition, the farmer goes to the banker and signs certain statements before the loans are made. Then the bank does not even have the cost of collection. The loans are collected by the elevator companies. The two are totally unrelated, therefore. Of course, on top of that the loans are guaranteed by the government. The hon. member should think twice, therefore, before he asks members in this house to believe in what I call the ridiculous suggestion he just made.

Mr. Argue: The hon. member for Rosthern has made a real plea in favour of what I consider to be a very high rate of interest. I do not believe his argument is well founded when he compares this legislation to the small loans legislation. His argument was not well founded according to his own words because he pointed out the cost of a small loan was somewhere around 7 per cent and therefore if loans under this legislation cost less the banks would be losing money. I do not believe even the hon. member for Rosthern thinks the banks are going to lose money under this legislation.

We are going to support the amendment because it goes at least part of the way towards the end we have been attempting to accomplish. No one has said money could be made available without any cost. Loans or cash advances cannot be made available free, without some charge to somebody. But we have continuously said that there should be no charge to the producer. I take it the hon. member for Macleod is now saying that if we have lost the fight to have advances made without any cost at all, the next best thing is to attempt to get the 5 per cent reduced. On the other hand, the hon. member for Rosthern is arguing in favour of a high interest rate, namely 5 per cent. Some years ago he was well known for ideas about monetary reform. A large part of those ideas was to get interest rates down. He argued this morning to maintain high rates of interest. The hon. member for Rosthern is arguing that the full cost of any advance or any loan that

is made to the farmer, plus the profit involved, must be borne by him. If the amendment should carry there will be nothing to prevent the government from moving a further amendment to this legislation to make up any loss that might be incurred, if there should be any loss, and I am not convinced there would be at the rate of 3 per cent.

What the hon. member for Rosthern is arguing is that the farmer shall pay the whole shot. The hon. member for Macleod is saying that we at least should be making some contribution as the parliament of this nation toward seeing that the farmer gets a loan at a reasonable rate.

Mr. Johnston (Bow River): I wish to say a few words on this. When the hon. member for Rosthern was speaking I attempted to ask him a question but he did not want to be interrupted at that point.

An hon. Member: That is his privilege.

Mr. Johnston (Bow River): That is his privilege and I am taking advantage of my privilege now in asking the question. At this point I am not much concerned whether he answers it or not. The hon. member was indicating that it costs the banks about 2 per cent on their money to carry these small loans. Then he said the cost of administration was about 7 per cent, making a total of 9 per cent. Of course, he did state quite emphatically that the type of loan he was describing then, and the type of loan which the Bank of Commerce was making, which was in effect a small loan, was the same as the loan contemplated in this legislation. He made no differentiation at all; in fact, he said they are the same. Now, that would mean—

Mr. Tucker: I did not say they were the same. I said the average amount during the past year has been $525. I said these loans would be bigger, and therefore the cost would be lower. But I said it would cost 7 per cent to administer an average loan of some $500 odd. They certainly could not administer loans of twice that for one per cent.

Mr. Johnston (Bow River): I do not think the hon. member should be making a speech now. I asked for the privilege of asking a question a while ago and the hon. member refused me that privilege. He definitely said—and I am sure the record will bear this out—that they were very similar loans. Let there be no misunderstanding about that. He went on to point out that an interest rate of 5 per cent was, in his opinion, a reasonable one. And yet he pointed out that every time the banks make a loan under the small claims act they have to charge around 10 per cent. That would lead us to believe—and he will have to correct me if I am wrong in this interpretation of his remarks, I do not think I am—that every time the bank would make a loan to a farmer under this legislation they would in effect be losing 5 per cent. That is just nonsense, Mr. Chairman.

Mr. Tucker: Mr. Chairman—

Mr. Johnston (Bow River): Wait a minute until I get through; you sit down. You would not give me permission to ask you a question, so just keep your seat.

Mr. Stick: Dictator.

Mr. Johnston (Bow River): It is quite evident, Mr. Chairman, that the hon. member for Rosthern is now trying to salve his own conscience in his support of the government introducing this legislation. Maybe I should be excused for using that word, but I have used it and I shall have to let it stand. I am sure the farmers of western Canada, and particularly of Saskatchewan, will not be too pleased when they find that the hon. member for Rosthern is upholding in every way he possibly can this high rate of interest when in fact he knows it should be lower than that.

The amendment moved by the hon. member for Macleod would not prevent farmers from getting money under this legislation. If it were carried—and I hope it is carried—it would say that the farmers would now be obliged to pay 3 per cent instead of 5 per cent. In fact, I am sure the farmers of western Canada deserve the benefits which would be derived by them from parliament carrying this amendment.

Mr. McCullough (Moose Mountain): Mr. Chairman, it took a certain amount of courage on the part of the hon. member for Rosthern to rise and defend the 5 per cent interest.

Mr. Tucker: It took no courage; it was just a matter of honesty on my part.

Mr. McCullough (Moose Mountain): Perhaps I should have said it would take more courage in other parts of the country to say it.

When the hon. member tries to make an argument in justification of the high rate of interest that is to be charged farmers under this legislation he points up the fight that we have been trying to make that we should have this thing done at a smaller cost to the western farmer. If it is true that, in the words of the hon. member for Rosthern, the banks are going to have difficulty in even making a profit on loans to farmers at the

high rate of 5 per cent interest, then I think there is every justification for the case that we have been trying to make that loans should be made through the Canadian wheat board, and that this government should give the responsibility and the power—

The Deputy Chairman: Order. I am afraid I must point out to the hon. member that the amendment we are now discussing is not whether the loans should be made through the wheat board or through the banks, but whether they should be made at 5 per cent or 3 per cent.

Mr. McCullough (Moose Mountain): Well, Mr. Chairman, I am going to try to confine myself within the orbit of the discussion. There is a discrepancy between the interest cost and how the loans should be made to the farmers. We are now discussing whether the interest rate should be 5 per cent or whether we should support the amendment of the hon. member for Macleod to reduce the rate to 3 per cent.

It is significant that under this legislation the elevator agents are to be the people responsible for collecting the money. They are to be responsible for making the returns to the bank. When we come to clause 9 of the bill we shall find that those elevator agents who are designated by this government are to be responsible for collecting those loans. I do not know what they are to be paid for it; I do not know how far their responsibility will go. If we had designated the wheat board as the lending agency, had advanced money to them and then had them collect it through an entry in a permit book we would have had a simple process, and I do not think the arguments made by the hon. member for Rosthern could have been maintained in any way.

If this complex process is going to cost the farmer 5 per cent interest, and if the banks are not going to make substantial profits, it seems a clumsy way in which to try to get a little money into the pockets of the farmers.

Mr. Hees: Mr. Chairman, I should like to ask the minister just one question. Did the government, in its negotiations with the banks, ask them to handle those loans at less than 5 per cent? If so, what was the banks' reaction?

Mr. Howe (Port Arthur): Now, Mr. Chairman, I have already said that I was not present at the negotiations. The negotiations with the banks were conducted by the Minister of Finance. I have the statement of the Minister of Finance on *Hansard* that negotiations extended over several days. If there had not been an attempt by the Department of Finance to get a lower rate of interest I do not know why the negotiations should have taken so long.

Mr. Hees: Mr. Chairman, I wonder whether the minister would ask his colleague, the Minister of Finance, to come into the committee and answer that question. It is one of the key points around which this whole clause revolves. If the minister has not the answer, will he ask his colleague to come into the house—he must be close by—and answer the question.

Mr. Howe (Port Arthur): Has my hon. friend suggested he might change his vote if he had more information?

Mr. Hees: Mr. Chairman, that is typical of this government's attitude towards discussion in this house. I have asked a straightforward question, and I would like a straightforward answer on a very important point, a point which is extremely important to the farmers who are asked to pay this interest rate on their loans. If the minister does not have the answer on this important point, would he ask his colleague to come into the house and give the answer.

Mr. Howe (Port Arthur): Mr. Chairman, my colleague is attending an extremely important meeting at the moment. I think the answer I have given on his behalf is sufficient. He has already said that he negotiated long and arduously. I do not know if he could give you any more information if he were here.

Mr. Hees: That is not an answer to any question. The answer the minister has given to my question is that we have discussed all aspects of this question and at the end have come to a decision which is reached in the bill before you. That is absolutely no answer, and we can therefore assume from this, Mr. Chairman, that the government did not ask the banks to handle these loans at less than 5 per cent, but it simply offered the banks 5 per cent and that is the sum total of this matter.

Mr. Carter: Mr. Speaker, I rise to point out to my hon. friends opposite that the effect of this amendment will be to give a much lower rate of interest to farmers than that which they voted to give to the fishermen last year. For that reason I am unable to support it and I ask them how can they honestly support it if they believe in the principle of equal treatment for all?

Mr. Argue: We will extend it to the fishermen.

Mr. Johnson (Kindersley): Mr. Chairman, I think there is one fundamental thing we

have to keep in mind in discussing the interest rate proposed by this legislation. It is that you cannot make a silk purse out of a sow's ear. By amending legislation that is unsavory you can perhaps make it smell a little better. We in this group are in favour of the recommendation advocated by the farmers of western Canada. It is proposed by this amendment the legislation might be slightly more palatable, but I think the principle we are concerned with is the desirability of introducing legislation that meets with the favour of western Canada. By amending the legislation certain groups are accepting the principle of the interest payment, which would indicate that they are perhaps showing some favour towards the bill. I would point out that in honesty to the people of the Kindersley constituency who are unalterably opposed to this type of legislation you cannot improve it in this manner to meet the desires of the farmers in my constituency.

Mr. Hahn: It would appear from the discussion that is taking place at this time that the minister would have been well advised to have brought this to the committee on banking and commerce or the committee on agriculture and colonization either of which could properly have dealt with it; however, we must ask our questions here.

I was rather intrigued by the hon. member for Rosthern when I discovered he was persuading himself that the interest rate was perfectly justified especially when I read the act. I understand that the act was negotiated between the Minister of Finance and the banks.

Clause 3, sub-clause 1, paragraph (d) of the act specifically says the interest rate charged by the banks on the loan did not exceed 5 per cent per annum. That would indicate to me that it is not mandatory to charge 5 per cent and that the banks themselves recognize that they could have given interest at a rate lower than 5 per cent. Therefore I would suggest to the hon. member for whom we all have a great deal of respect that certainly he should have taken that little phrase, "did not exceed 5 per cent" into consideration before having made those particular remarks.

The hon. member for Kindersley earlier in the debate asked certain questions of the minister in respect to a quarter-section farmer and the minister in reply indicated that it would take longer than six months in some cases to repay this loan. However, the bill itself does not indicate that and there is no provision for that. I find here that the amount of the loan is payable on the first day of October. If a quarter-section farmer makes a loan in May or June that does not provide a six months period and then the bank can come to the government and expect a repayment of the guaranteed loan. I was wondering if possibly the minister might elaborate somewhat on that point and indicate how we are protected against an instance such as that. Probably the farmer wishes to pay his bill but he does not have the money because he has not been able to deliver his wheat. The farmer is going to be put in the awkward position of having a loan come due and the banks, of course, can come to the government for the guarantee. Would the minister care to comment on that?

The Deputy Chairman: I would suggest that that question could be properly asked under the operative part of this bill, but it would widen unjustifiably the discussion on the amendment which we now have before us. I would suggest to the hon. member that when the amendment has been disposed of he should then ask his question.

Mr. Hahn: With all due deference to your remarks, Mr. Chairman, I would point out that the hon. member for Kindersley did raise this question in the course of the discussion on this amendment and that was the reason for my bringing it up at this time.

Mr. Hees: As the Minister of Finance is now in the house, will he answer my question? Were the banks requested to handle these loans at less than 5 per cent, and if so, what was the reaction of the banks to that request?

Mr. Harris: I understand that in my absence at a meeting of the treasury board the Minister of Trade and Commerce has already quoted what I said last night. I answered that question last night and I do not propose to add anything to the answer I gave at that time.

Mr. Hees: There has been no answer given to that question. The minister simply said that all matters pertaining to the loans were discussed and the bill is now before us as we see it. There has been no answer given to my question. I am asking you to give me a straight answer to a straight question. Were the banks requested by the government to handle these loans at less than 5 per cent, either yes or no. And if so, what was the reaction of the banks to that request? That is a simple straightforward question and I should like a direct straightforward answer.

Some hon. Members: Question.

The Deputy Chairman: Shall the amendment carry?

Mr. Hees: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Hansell: All I am going to say on this particular point is that it is quite obvious to me that the government in its negotiations with the banks did not fight for low rates of interest. If there had been any controversy about it the Minister of Trade and Commerce would have known of it.

A further proof is this. In the return that was brought down, return No. 189, the first letter that was written on October 28 by the Minister of Finance to the president of the Canadian bankers' association states in the first paragraph:

> May I refer to the negotiations that have been carried on between representatives of the chartered banks and representatives of the departments of finance and trade and commerce with a view to facilitating loans to grain producers in western Canada.

It then goes on to set out certain conditions, the third one being:

> (iii) that interest on the loan does not exceed 5 per cent simple interest.

That was the first letter. I do not think there is much controversy there. In the second letter that was written certain changes were made, but there was no change in the interest rate. Some further changes were made in the third letter that was written but it contains no suggestion of any reduction in the rate of interest. I take it from that that the rate of interest was not a controversial matter, that the government did not fight for a lower rate of interest but simply suggested that 5 per cent was all right and they would let it go.

Mr. Habel: May I ask the hon. member what rate of interest is charged by the Alberta treasury branches for farm loans and is it not a fact that even at that the treasury makes good the losses?

Mr. Hansell: I cannot answer that definitely, but I can tell you what they charge me when I go to the Alberta treasury branch for a loan. They charge me 5 per cent.

Mr. Knowles: Does that mean that you had not received your yearly pay?

Mr. Hansell: I have had to borrow. I think the banks would charge me the same rate. I have no objection to paying it, but that is not the principle involved here. In this case the farmers are facing an emergency and this bill has been brought down as a result of that emergency.

I may say that the Alberta treasury branches would have liked to come under this bill. They wrote to this government and asked if they could receive the same guarantee as the banks, but they were refused the same protection. I do not know whether they would have loaned money under this bill at a lower rate of interest, but it is conceivable they might have. You cannot compare what the treasury branches are doing now with what they might do under protective legislation of this kind. That is my answer to my hon. friend and I think it is quite a reasonable answer. They are lending money to municipalities at a very low rate of interest.

Mr. Hees: In view of the refusal of the Minister of Finance to answer a straightforward question, we can only take it—I would like to hear him deny it if it is not so—that the government was perfectly satisfied to have the farmers charged 5 per cent and made no effort to have the interest rate reduced. I would assume also from the government's attitude in this matter that the government suggested the 5 per cent rate of interest.

Mr. Diefenbaker: Mr. Chairman, all the conclusions which the hon. gentleman has just mentioned seem to be conclusively established by the minister's failure to answer, but I think we can get this cleared up. The Prime Minister is here and he is the leader of the government. I ask him a simple question: Were the banks approached to accept less than 5 per cent?

Mr. St. Laurent (Quebec East): The banks were approached to make loans to farmers under the best possible conditions under which they would agree to make such loans.

Mr. Yuill: Mr. Chairman, for the peace of mind of hon. members opposite who have been inquiring about the interest rate charged to municipalities in Alberta I would like to tell them that I have been the mayor of Barrhead, Alberta, for 12 years. During that time we got loans from the provincial treasury, and I can also tell you something about grants. On more than one occasion we were able to borrow money for as low as 2 per cent when we were putting in our water and sewer facilities. We borrowed other money at 3 per cent, some at 3¼ per cent but never more than 3½ per cent.

With regard to municipal assistance, may I say that this town of less than 2,000 population received a direct gift of $13,642. We got enough from the Alberta government to pay them back 100 per cent.

The Deputy Chairman: I thought the hon. member had risen to discuss comparable interest rates, but I must point out that we are not discussing municipal grants.

Mr. Blackmore: Mr. Chairman, I think the noisy people across the way are beginning to see how completely ridiculous their position is. When a government really wants to help people it goes to work and does something for the people, not try to gouge them the way this bill does.

I should like to draw the attention of the hon. member for Rosthern to one or two facts which he knows very well. If the Bank of Canada has a $100 bond of the dominion government submitted to it, it can create $100 without its costing anybody anything. It could just as well be a $100,000 bond. If every dollar of the money to be loaned to farmers was obtained from the source from which the dominion government can get money, the Bank of Canada, that could be done by simply writing a Dominion of Canada bond and putting it in the hands of the Bank of Canada. I know the hon. member for Rosthern knows that. It is most important that every hon. member knows that and that the country knows that.

I should like to know whether the hon. member for Rosthern will take the untenable position that the dominion government should not have ample money created by the Bank of Canada in order to lend at 2 per cent.

The Deputy Chairman: I think I should point out that the hon. member for Rosthern should not be permitted to answer that question as we are not dealing with the question of government manufactured currency. We are dealing with the question of bank loans.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Deputy Chairman: The committee has under consideration Bill 82, clause 3, and the amendment thereto by Mr. Hansell. Is the committee ready for the question on the amendment?

Mr. Blackmore: Mr. Chairman, when the committee rose, I had just asked the hon. member for Rosthern if he could deny the fact that the Dominion of Canada could get money completely free from the Bank of Canada and, if the Dominion of Canada could get that money, whether or not there was any reason why they should not subsidize the interest rate of 5 per cent so as to reduce it to 2 per cent. Money that would be created by the Bank of Canada would be completely free. It would not come from the taxpayers. It would not constitute a debt. Consequently, the very first thing the hon. member for Rosthern has to do before he can establish the necessity of having 5 per cent interest on these loans is to show that in this case the Bank of Canada should not be used to bring down the interest rate to two per cent. I believe that the considerations I have brought before the committee are such that the committee simply cannot afford to support the proposal for 5 per cent interest.

Mr. Howe (Port Arthur): Mr. Chairman—

Mr. Argue: Question.

Mr. Howe (Port Arthur): I think there are several questions that need to be discussed at this stage.

Mr. Drew: What is this, a filibuster?

Mr. Ellis: A one-man filibuster.

Mr. Howe (Port Arthur): In the first place I was interested in the speech by the hon. member for Eglinton. He said there was no agreement between the government and the banks. There were two letters written—

Mr. Fleming: On a point of order, the minister has said that I said in debate there was no agreement between the government and the banks. I did not say that. What I said was that there was no legal obligation created. I said there was simply a moral obligation, created by the letters from the government, to introduce the legislation.

Mr. Howe (Port Arthur): That is just the point I was going to make. There is no legal obligation created by the exchange of the letters, but certainly a moral obligation, which just shows that you have to be very careful with whom you do business, particularly financial business. I shall remember that remark by the hon. member for Eglinton.

Mr. Fleming: I hope you remember my remark and not your paraphrase of it. Is the government filibuster over?

Mr. Weir: No, Mr. Chairman, I am rising on a matter—

Mr. Hees: Government filibuster.

Mr. Weir: I do not know why government members should not participate once in a while in a debate.

Mr. Drew: Neither do we.

Mr. Weir: It should not be monopolized by the opposition. As a matter of fact, I am rather surprised they should continue this debate so long if this measure is so bad. Why not let it go through and let the public decide whether or not they want to pass their judgment in favour of it or otherwise?

Mr. Ellis: Why not have a vote now?

Mr. Weir: I was interested more particularly in this item of interest, having to do with

the amendment that has been proposed by one of the members of the Social Credit group.

Mr. Hees: There are enough in now.

Mr. Weir: For one thing, what it amounts to—

Mr. Ellis: Are there not enough Liberals in the house now?

Mr. Hees: Here they come.

Mr. Fleming: You can sit down now.

An hon. Member: Here they come.

Mr. Fleming: Here they are to toe the party line.

Mr. Weir: All I was going to observe during those interjections was that my wife thinks I am a pretty good looking fellow, and I am quite prepared to let you look at me.

An hon. Member: Order. Keep to the bill.

An hon. Member: What has that to do with wheat?

Mr. Weir: What I was leading up to was this. I was associated for some years with a farm organization that gave a great deal of credit—

An hon. Member: Not Social Credit.

Mr. Weir: —to matters affecting the costs of production for agricultural producers. Among the items to which they gave a great deal of consideration was the matter of credit, and one of the things that we learned in our experience in those times—

Mr. Fleming: Was to stall.

Mr. Weir: —was that the more prior the claims that were placed against fresh mortgage securities, then the higher the interest rate was bound to be, and I think that is sound. Now I come to the other point, and that is whether or not an interest item should be charged in making loans to individual farmers. In spite of what some of my hon. friends on the other side are arguing, I think it is logical and fair that an interest item should be charged. I am not going to argue as to what rate of interest that should be.

Mr. Fleming: Are you going to vote for that?

Mr. Weir: I am going to vote for the bill as it is,—

Mr. Fleming: Toe the party line.

Mr. Weir: —subject to any changes which may be made that will improve it.

Some hon. Members: Oh.

[Mr. Weir.]

Mr. Weir: What are my hon. friends arguing about? The government has provided in this measure for guaranteed loans to farmers through the banks at a rate of interest of five per cent. I presume that, had a lower rate of interest been secured from the banks, the guarantee required would have had to be higher. I think that is logical and reasonable, and that is the approach that has been made here. Interest on a loan of $1,000 at five per cent for a period of six months, if I have calculated correctly, amounts to $25. If the same loan is secured at four per cent, it amounts to $20. What is this argument about between a four per cent and a five per cent loan? For a six months period on $1,000, it means $5. My hon. friends also argue on the basis that this money should have been provided through the wheat board. If that is their argument and if they maintain that the expense thereof should be borne by the wheat board, I say that is unfair as an item to be charged under operating expenses.

Mr. Ellis: What clause are you speaking on?

Mr. Weir: I am talking on the interest item on which you have been talking all morning. Some people will be borrowing by means of these bank loans, and others will not. It is wholly unfair to say that the man who does not need to borrow should pay the interest costs of the man who does need to borrow. I shall go one step further in the same regard on this item. I look to the man who may have some securities but has a right to borrow, under the argument of my hon. friends opposite, an interest-free loan, but I go further and I take the case of a man—there are many such—who may have a mortgage on his farm, on which he is paying interest. He is able to sell a certain amount of grain in his deliveries this fall and from that should have paid off his mortgage. But, instead of paying off his mortgage, he did not do so, but retained that money that he had secured from the sale of his grain for pocket money to pay expenses and so forth. Is anybody going to say that somebody else is to get an interest-free loan while that man is continuing to pay 5 or 6 per cent on the mortgage money he has borrowed? That to me seems wholly logical, and there is no argument on it.

I doubt very much if my hon. friends opposite could stir up very much interest in the country over the item of interest itself. When farmers get accommodation of this kind, I think they would be expected to pay interest on it. I simply come back to what I pointed out earlier, that the argument here

seems to be over a matter of $5, between a $1,000 loan for six months at 5 per cent as compared with the same loan for the same period of time at 4 per cent. That is all I wish to say on that.

Mr. Ellis: What about 3 per cent?

Amendment (Mr. Hansell) negatived: Yeas, 52; nays, 88.

The Deputy Chairman: I declare the amendment lost. Shall clause 3 carry?

Mr. Argue: No, Mr. Chairman. Will you put the question on the clause?

Clause agreed to: Yeas, 92; nays, 54.

On clause 4—*When minister not liable.*

Mr. Fleming: Mr. Chairman, there is a question that arises on clause 4 of the bill. In effect this clause of the bill puts every one of the chartered banks in Canada on an individual basis in applying to the loans made by that particular bank certain limitations of the total extent of the government guarantee. May I ask the minister in the first place if all the banks have indicated that they intend to participate in the scheme of these loans? I have a second question that will then arise.

Mr. Harris: Yes, all the banks are participating.

Mr. Fleming: Then clause 4 means that with respect to each one of the chartered banks and looking at any one of them individually there are certain over-all limitations on the extent of recovery against the government under the guarantee. Would the Minister of Finance indicate to the house just how this is going to work out? I should think it will necessitate very close supervision from day to day unless the banks were prepared to proceed on the assumption that the loss on such loans would be a mere trifle and that they had no need to worry about the limitation that clause 4 puts on the government's responsibility under this guarantee. For illustration, what is the extent of the lending of individual banks now in relation to the limitations imposed by clause 4?

Mr. Harris: I regret that I cannot give that information. As a matter of fact, as a result of the inquiries in the committee last night I tried to ascertain this morning what the figures were for January but they are not compiled yet. Therefore the only information I can give is the total number of loans and the total amount involved up to the end of December, and I think that was given in a return.

Mr. Fleming: We have already had that, but I was wondering how with respect to any individual bank clause 4 involving this matter of the over-all limitation is going to apply at the present time. I should think that the banks are going to want to have some day-to-day over-all control on the loans that their individual branches are making in view of the over-all limitation applied.

Mr. Harris: I do not see that that would be necessary. The guarantee is unlimited to the extent of $50 million. The only distinction is that the percentage of guarantee diminishes after $100,000. But in view of the fact that up to the end of December the amount involved was about $8 million I would think there is really no reason why any bank would feel that it was making so many loans that it would exceed the $50 million.

Mr. Fleming: I realize it must apply to each individual bank, but can the minister give us any over-all idea at all how this particular clause will apply to any individual bank to the extent to which that bank has already participated in the scheme of loans?

Mr. Harris: I think the clause is quite clear. Any one bank is guaranteed in the manner indicated by subclause (a) (i) and subclause (a) (ii). We will of course be expected to report to parliament in any event, and if my hon. friend will let the matter rest I will be glad to give the January figures as soon as they are received and also, if I can, break them down by banks. He will then see the extent of participation by any one bank.

Mr. Argue: Could I ask that when those figures are given they also be broken down by provinces?

Mr. Harris: Oh yes, we can do that.

Clause agreed to.

On clause 5—*Regulations.*

Mr. Diefenbaker: I should like to ask the minister whether or not as of this date forms of application and directions, etc., have been drafted and if the minister has those forms available. Would the minister mind tabling the forms that have been prepared so far? As has already been stated, the original forms contained such a complete catechism that they naturally aroused a great deal of antagonism. The newer form does not have the same effect on the applicant as did the earlier one. Would the minister say what regulations, if any, have been passed as of this date? If regulations have not been passed, what forms are being used and to what degree are the banks directed to make loans on the basis of qualified applicants measured by the formula that the minister referred to, namely, that the borrower shall be able to establish that he has in fact a certain number of bushels of wheat on his premises? I should

also like to know whether any form or return is made by the banks under this or any other section setting out the names of applicants who have applied for loans and have been turned down.

I believe it was the minister who stated the other day he did not think there were very many. I have no idea of the numbers but I do know that in the course of the last three weeks I have received letters from 17 or 18 farmers who were turned down, who had on their premises the necessary wheat, but having advised the local bank manager as to the purposes for which they desired the money, namely the payment of some current liabilities other than for actual groceries and the like, the explanation given in these various cases was that these loans were not intended to cover instances such as were contemplated by the intended borrower. I should like the minister to give some kind of assurance because farmers are asking, what is this legislation? Why is it that unless an applicant is practically in a position where he could actually borrow on his own security, in certain branches of certain banks the application is being denied?

Mr. Howe (Port Arthur): We have been told several times in this debate, Mr. Chairman, that we cannot have regulations when the bill has not been approved.

Mr. Diefenbaker: But you have tentative ones.

Mr. Howe (Port Arthur): We have tentative ones. I am told that the forms that are used for applications for loans and certain other forms were tabled in the house this morning in the usual way. My hon. friend says that people who have the required amount of wheat have been turned down. I should like to know what the other circumstances were, how many liens were filed on the wheat. So far as the government is concerned, the two requirements are that borrowers give evidence that they have the wheat that is required by the amount of loan for which they apply, and that it is not pledged under section 88 to some other bank.

What was the other problem?

Mr. Diefenbaker: I asked generally about the use of the money and the refusal of the bank on the basis of a proper application.

Mr. Howe (Port Arthur): Yes. The bank has no right to ask what the money is going to be used for. Such information is not required by the government, and although my hon. friend says it is required by the bank, I cannot challenge that statement, but I doubt it. I have received many letters myself from people who expressed surprise at the ease with which they obtained loans. One said he had never met a bank manager before but was delighted with his reception and with the ease at which the loan was forthcoming. I cannot believe that, if there had been any great resistance in carrying out the spirit of this legislation, I would not have heard about it before directly from the persons concerned.

Then, the hon. member asked if the application for a loan was filed with Ottawa. The applications for loans that are granted are filed with Ottawa, and must be, because Ottawa guarantees each individual loan. I think that answers the question.

Mr. Diefenbaker: Would the minister also indicate the machinery? I am a farmer who goes into a bank and signs an application. Is it still a fact that that application has to be sent to Ottawa for consideraion here? If not, what is the explanation for the delay between the time of the application and the granting of the credit where credit is granted?

Mr. Howe (Port Arthur): Of course, the application is not sent to Ottawa as now suggested. The bank manager must determine whether that same grain has been pledged to another bank. He does that, as I understand it, by telephoning the clearing house at Regina. It should not require much time, and I doubt if it is a matter involving any great time. The bank manager has to make that one search of the title to the grain.

Mr. Diefenbaker: Is there any submission to the Bank of Canada or the officials here?

Mr. Howe (Port Arthur): No, not before the loan is granted. When the loan is reported, it is filed here at Ottawa.

Mr. Argue: I want to mention the point about the ease with which an applicant may be able to get a loan. I want to say the information I have received in many instances is contrary to the information or the letters to which the minister referred. I have information that it is very difficult for many applicants to get loans, and for many of them the amount of the loan they are able to obtain is a good deal less than that for which they have applied.

I want to ask the minister about some cases based on information given to me on the way particular applicants were treated. A farmer went into a bank and asked for a loan. He was provided with a loan of $700 on December 20. The minister has said it is not proper for the bank to take any part of the farmer's loan to discharge any other responsibility that the farmer may owe the

bank at that time. As I understood the information the minister gave to the house before, it is not proper for a bank manager to deduct from the amount of money the farmer may obtain under this legislation the amount of money that may be owing the bank at that time under the Farm Improvement Loans Act.

In this case at the time the application was made the bank did not attempt to deduct the amount owing under the Farm Improvement Loans Act. Here is the way the bank operated according to the information given to me. The farmer was given a loan of $700 on December 20. It was deposited to his account. The farmer came back 11 days later to take the $700 out of his account, but the bank had moved in in the meantime and taken $300 out of it to pay moneys owing under the Farm Improvement Loans Act. I am wondering if that practice is proper, and whether the bank had any right to use a back-door method to accomplish something I understand is improper, and perhaps even illegal. When a farmer is making an application, is it within the right of the bank to move in a few days later after the loan has been made and take from the amount the farmer received an amount owing to the bank?

Mr. Howe (Port Arthur): The action of the bank some days after the loan has been granted is a matter for a lawyer. It has nothing to do with this act. Your correspondent had better discuss it with his lawyer to see whether the bank had a right to go into his account and take $300.

Mr. Argue: What is the point of having this kind of legislation and having the minister say it is improper for a bank to deduct from the amount of money a farmer can obtain any amount he may owe under another act if the bank, a few days later, can come in and take that money from the farmer's account?

Mr. Howe (Port Arthur): Surely you would not expect the Minister of Finance or the Minister of Trade and Commerce to guard that money for 11 days after it was paid to the farmer. If he had put the money in his pants pocket and walked away, you might as well expect us to protect him from being robbed on his way home.

Mr. Fleming: There is a point I should like to raise with reference to one subclause of clause 5. The clause in general permits the governor in council to make regulations, and then paragraph (e) reads:

(e) respecting subrogation of Her Majesty to the rights of a bank with respect to a guaranteed loan.

As hon. members are aware, the purpose of subrogation is to permit the guarantor or surety, in the event of default, to step into the rights of the person who has put up the loan in the first place. In this case, presumably the intent of the section is to permit regulations to be passed under which Her Majesty will be able to step into the position of the bank in relation to the rights of the bank as against the original borrower.

Now, while the regulations are not technically in existence, nevertheless the whole borrowing scheme is and I would like the minister to indicate what the provisions in regard to subrogation contain in this regard. Would he outline with particularity the procedure that is provided for and contemplated in the event of default? If it is clear that default has been made and the farmer is not in a position to remedy his default, what are the steps then to be taken?

Mr. Howe (Port Arthur): I can read to my hon. friend the regulation under the 1951 legislation. I assume that the same regulation would apply in this legislation. The regulation reads:

Where payment is made by the Minister of Finance to a bank under the act in respect of any loss sustained by the bank as a result of a guaranteed loan, the bank shall execute a receipt in accordance with form "E" in the schedule to these regulations or a form to the like effect in favour of the Minister of Trade and Commerce, and the Minister of Trade and Commerce on behalf of His Majesty shall thereupon be subrogated in and to all the rights of the bank in respect of such loan and without limiting the generality of the foregoing, all rights and powers of the bank in respect of the loan, and in respect of any judgment in respect thereof obtained by the bank, and in respect of any security taken by the bank for the repayment thereof shall thereupon be vested in the Minister of Trade and Commerce, on behalf of His Majesty, and that minister shall be entitled on behalf of His Majesty to exercise all the rights, powers and privileges which the bank had or might exercise in respect of such loan, judgment or security, and to commence or continue any action or proceeding in respect thereof, and to execute any documents necessary by way of release, transfer, sale or assignment thereof, or in any way to realize thereon.

Mr. Fleming: Mr. Chairman, that dealt with the first part of my inquiry. The minister has indicated that similar regulations are in contemplation here. There can be no doubt that the regulation he read from the 1951 act provides for complete rights of subrogation so that if similar regulations are passed under the authority of clause 5 we may assume then that Her Majesty will step into all the rights that the banks enjoy under their original contractual relations with the borrower.

This raises the question as to the policy as well as the question as to procedure. I would ask the minister whether he would deal with the second part of my inquiry? Assume that

the fault has arisen; that the bank has satisfied itself that there cannot be any immediate recovery, and that the borrower is not in a position to remedy his default, put himself in good standing, and the government has been called upon to make good the guarantee. Is it the intention of the government in any such case to insist that the bank should first take judgment, or what process is the government going to insist that the bank take before it will be satisfied to pay under the terms of the guarantee? Assume that the circumstances have arisen under which the government has paid on the guarantee, what is the procedure contemplated and the policy in view on the part of the government with respect to enforcing the rights to which it is subrogated?

Mr. Howe (Port Arthur): Mr. Chairman, the action would depend upon the circumstances of each individual case. I might tell my hon. friend though that in connection with the 1951 legislation there was no case in which judgment was obtained against the borrower.

Mr. Quelch: Mr. Chairman,—

Mr. Fleming: May I just follow that up? May I take it, then, that it is not the intention of the government to insist that the bank shall obtain a judgment and presumably a return of "no goods" on the execution issued under the judgment before it will pay on its guarantee to the bank?

Mr. Howe (Port Arthur): Well, I am not going to say what the intention would be. I do not know what the circumstances will be. All I can say is, it is a matter of record that loans were defaulted under the 1951 legislation and no judgment against the debtor was obtained.

Mr. Fleming: And the government made good its guarantee without insisting on a judgment being taken? Is that the minister's answer?

Mr. Howe (Port Arthur): That is right.

Mr. Quelch: Mr. Chairman, I was somewhat puzzled by the reply the Minister of Trade and Commerce gave to the hon. member for Assiniboia. I was wondering whether the Minister of Finance would agree with the minister's statement. I gather from what the minister said that if a farmer owed the bank money and then borrowed from the bank under this legislation, the only safe thing for him to do would be to draw that money out of the bank in currency, put it in his pocket and walk away with it; otherwise, there would be nothing to stop the bank from raiding that farmer's account and taking out the money he has in it.

Mr. Howe (Port Arthur): I said nothing of the sort. The hon. member for Assiniboia was mentioning what had happened to cash deposited in the bank eleven days after the deposit had been made. My point was that the government's responsibility is no different then from what it would have been had the farmer, instead of depositing it in the bank, put it in his pocket and walked away with it. Eleven days earlier the government had passed out of the picture. The money passed out of the jurisdiction of the government when the loan was made and the money paid over.

Mr. Quelch: The only safe way is for the farmer to take out in currency the money that he borrows and take it away with him because—

Mr. Howe (Port Arthur): I suggest that is your statement, not mine. I made no statement that can be twisted or turned into that statement.

Mr. Quelch: You said that eleven days later the bank might consider raiding the account. The logical thing for the farmer borrowing from a bank to do would be to deposit it in the bank. Then he could issue cheques against that. It might take eleven days for those cheques to come back to the bank, and by the time the cheques came back his account might be marked N.S.F. because the bank had in the meantime raided the account. That is a very unsatisfactory situation. There should be some understanding with the farmer. If this legislation is being passed for a specific purpose, then the bank has no right to seize the money when it is deposited.

Mr. Howe (Port Arthur): I have only the word of the hon. member for Assiniboia on that point.

Mr. Argue: I have the evidence in my hand.

Mr. Howe (Port Arthur): Why not give it to a competent lawyer in your district and have him take action?

Mr. Quelch: That is not the point. It should not be necessary for a farmer to have to go to the expense of hiring a lawyer to safeguard himself under this legislation. I should like to have an interpretation of the situation from the Minister of Finance. Does he think it is ethical for a bank to raid the account of a farmer when money is deposited under this legislation?

Mr. Harris: Mr. Chairman, I do not think we ought to be too much concerned about an isolated case. One does not know precisely what the situation may have been. As everyone knows, when a customer in indebted to a bank he may very well sign an authority

to the bank under which the bank may at any time take some sums of money for the purpose of adjusting accounts. In this particular case I have no doubt whatever that the hon. member for Assiniboia is correctly reporting what he has been advised. But let us suppose that at the time the borrower said to the bank manager: Now, I am going to have to spend about $500 to pay this and this, and when I get through with that I may have no other debts. But I want $900 now to be sure I have more than enough. We cannot be sure that there was not a tacit understanding that at some time if there was a surplus in the account the bank manager might take it by agreement or understanding.

Mr. Johnston (Bow River): Mr. Chairman, may we have some understanding of this from the Minister of Justice? The hon. member for Acadia asked a very important question. It is a legal question. The minister pointed out a particular case. I can understand that in a particular case, such as the instance given, the borrower may have given the bank the right to take certain moneys from his account and apply them on a bill owing to the bank. But generally speaking, we should have a statement from the Minister of Justice telling us whether the banks have the right to take money from an account, money which has been obtained under this legislation, and then make deductions from the farmer's account in order to offset it against that which he owes to the bank without authority from that individual farmer in that particular case.

Mr. Harris: Mr. Chairman, excuse me if I answer before the Minister of Justice. The whole purpose of the legislation is to assure to the farmer the maximum amount of the loan. It has been understood that the banks will not take from the loan the amount of their indebtedness in other respects. Now, if it happens that a bank manager has done this, and if there has not been an understanding between them, I shall be glad to communicate with the bank concerned, because the purpose of the legislation is to give additional ready money to the farmer. I do not think we need a legal opinion; all we need is the persuasion of public opinion and the desire of parliament.

Mr. Argue: Mr. Chairman, I want to thank the minister for the remarks he has just made. I do not see anything wrong with the bank suggesting to the farmer that part of that money might be used to make a payment under the Farm Improvement Loans Act but it seems to me it should be done by agreement at the time the loan is made.

Mr. Harkness: I should like to ask the minister a question with regard to paragraph (f). What is the form and purpose in which it is envisaged the reports of the banks to the Canadian wheat board will be made?

Mr. Howe (Port Arthur): Before a new permit book can be issued it is necessary for the wheat board to know what loans are outstanding against the book which is being replaced. The reference has to do with the endorsement of the permit book.

Mr. Harkness: As I understand it, then, the sole purpose of this paragraph concerns the issuing of new permit books. Is that correct?

Mr. Howe (Port Arthur): Yes.

Mr. Harkness: And that is the only reason for a report to the wheat board at all?

Mr. Howe (Port Arthur): Yes.

Clause agreed to.

On clause 7—*Effect of endorsement.*

Mr. Howe (Port Arthur): Clause 7 (a) provides that no manager or operator of an elevator shall, after the coming into force of this act, receive for storage grain delivered by or on behalf of the borrower who made the endorsement.

It is found that while that provision was contained in the 1951 legislation it is not required in this legislation and I would ask my colleague the Minister of Finance to move:

That clause 7 of Bill No. 82 be amended by deleting paragraph (a) therefrom and relettering paragraphs (b) and (c) respectively as (a) and (b).

Mr. Diefenbaker: That of course removes an obvious anomaly in this section. However, I should like to draw the remainder of the clause to the attention of the committee. The part I refer to is this. If the manager of an elevator, or in other words the local buyer or any other person, receives delivery of grain, then that person becomes personally liable by action or proceedings for the recovery of the amount owing to the bank to the extent of the value of the crop that was delivered to the elevator buyer or manager.

There was a similar section in the old act. I should like to ask the minister what was the experience in the 1951 act in relation to the whole of clause 7. Were there any actions taken to the knowledge of the minister or his officials under this clause? I would think this imposes a very heavy onus on the buyer, the elevator operator or manager of the local elevator. It may be that it is just one of those clauses that has been borrowed holus-bolus out of the old act and stuck into this one, if I may use that expression.

But if it were actually enforced it imposes a heavy liability on the local buyer and one which few buyers would be willing to undertake.

Would the minister let the committee know the experience under the old act, because I personally know of no action taken under the old act and I wonder whether or not there were any such actions taken.

Mr. Howe (Port Arthur): Mr. Chairman, my responsible officer tells me that under the old act there were no cases where the money was not collected and turned over to the bank as provided in the legislation.

Mr. Nicholson: It would appear to me there should be an additional amendment in paragraph (c). Reference is made there to paragraph (b). I imagine the minister would want to move another amendment. Where the letter (b) appears in line 26 of paragraph (c) it should be changed to (a).

Mr. Howe (Port Arthur): That is correct. Thank you for the correction. I am just having the amendment written out. We discovered it at about the same time my hon. friend discovered it.

Mr. Argue: Two good lawyers.

Mr. Howe (Port Arthur): Yes.

The Deputy Chairman: In the meantime, would it be the wish of the committee to pass the first amendment? Is the amendment already moved by Mr. Garson agreed to?

Some hon. Members: Agreed.

Amendment agreed to.

Mr. Howe (Port Arthur): A further amendment, which is really part of the same amendment, is moved as follows:

That in new paragraph (b) the words "paragraph (b)" in line 26 be amended to be "paragraph (a)".

The Deputy Chairman: I think the committee has heard the motion made by Mr. Garson. Is this amendment agreed to?

Some hon. Members: Agreed.

Mr. Zaplitny: Mr. Chairman, just before we leave clause 7 I wish to refer again to what is now paragraph (b) with the amendment which refers to the responsibility of the manager of the elevator with respect to the bank taking proceedings to collect. I should like to know whether that means the person responsible as manager of the elevator, the person who at that time happens to be the manager, or what we call an elevator agent, or whether it could also refer to any person succeeding him in that job who assumes that responsibility.

For example, at the time a loan was granted there may be one particular person who is the agent of a particular elevator. He gets moved, let us say, 30 days later before the loan is paid back. Does the new agent who replaces him assume the same responsibility that is placed upon the current agent by this act?

Mr. Howe (Port Arthur): The man responsible would be the man who accepted the wheat and endorsed the permit book knowing that there was a claim registered in the permit book against that particular grain. It would be the operator at the time the grain was accepted for delivery.

Mr. Zaplitny: Regardless of whether that particular agent happens to be still an agent of the company by which he is employed, and regardless of the fact that he may have moved away entirely and taken on other employment, he still carries on that responsibility as an individual. Is that the case?

Mr. Howe (Port Arthur): He had no responsibility. He made no loan. The loan was made by the bank. The only responsibility on the agent is that when grain is presented for delivery on a permit book against which is endorsed an undischarged loan, it is the duty of the elevator agent to make out two tickets, one for the farmer and the other for the bank.

Mr. Zaplitny: Mr. Chairman, I can hardly agree with the minister when he puts it that way. I will read the words in the paragraph that are pertinent to the question:

the bank in whose favour the endorsement was made may recover any of the moneys to which it is entitled under paragraph (b)—

—which now reads paragraph (a); and these are the words—

by action or proceedings against the manager of the elevator or other person receiving delivery of the grain or receiving such moneys—

The responsibility of the agent or the manager of the elevator does not cease when he has issued the duplicate ticket. The bank may take action or proceedings against him. It must be remembered that clause 7 begins with these words:

Notwithstanding any other act or law—

That means that this legislation supersedes any other act or law and is a law unto itself. I can hardly agree with the minister that when a responsible agent issues a duplicate ticket on the delivery of grain he should be faced with the possibility of having action or proceedings taken against him. How long will he have to face the possibility of a bank taking proceedings against him even though

he may be no longer employed by the elevator company on whose behalf he purchased the grain? Does that go on indefinitely or is there any limitation?

Mr. Howe (Port Arthur): The only case where there could be continuing liability would be where he diverted money taken from the farmer and intended to be paid to the bank. If he proceeded normally when the grain was delivered, if the storage ticket was properly made out, he would have discharged his liability. But if he puts the bank's share in his own pocket and leaves the job I suppose he would be liable for whatever penalty is provided under the Criminal Code.

Clause agreed to.

Clause 8 agreed to.

On clause 9—*Offence and penalty.*

Mr. Diefenbaker: This is the clause to which I raised strong objection the other day, but not with regard to subsection 1, which reads:

> Every person who, after the coming into force of this act, in respect of a guaranteed loan
>
> (a) knowingly makes any misrepresentation in any application or other document or wilfully furnishes any false or misleading information; or
>
> (b) if he is a borrower and his loan has not been repaid in full, delivers, or causes any other person to deliver on his behalf, under a permit book that has not been endorsed by the borrower as required by this act, any grain of which he is the actual producer,
>
> is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars.

To that section there can be no objection because it is similar to previous sections dealing with misrepresentation. However, subsection 2 does go somewhat further. In most summary conviction matters there is an ordinary limitation of six months, but this subsection provides for a limitation of two years. There may be good reasons for the extension of the limitation because of the circumstances connected with transactions under this legislation, but the subsection to which we in the official opposition take strong exception is the following:

> (3) When a person is convicted of an offence under this section, there shall be imposed on him, in addition to any fine, a penalty equal to the amount of the guaranteed loan that has not been repaid by him together with interest on the loan to the date of payment of the penalty—

Mr. Howe (Port Arthur): Perhaps I could shorten this discussion if I tell my hon. friend that I am going to ask my colleague to move the following amendment:

> That clause 9 of Bill No. 82 be amended by deleting subsection (3) therefrom.

Mr. Garson: I move accordingly.

Mr. Diefenbaker: That is the subsection to which I raised the strongest objection because it provides for imprisonment for debt under the summary convictions section of the Criminal Code. The failure to pay a fine imposed under the summary conviction clauses has the alternative of a sentence of six months in jail. I contended that it was iniquitous legislation to imprison for debt. I thank the minister for moving this amendment because that is the way that I think parliament should operate.

Amendment agreed to.

Mr. Nicholson: Paragraph (a) of clause 9 reads:

> knowingly makes any misrepresentation in any application or other document or wilfully furnishes any false or misleading information;

It is a practice in western Canada to do a large part of harvesting with combines and I am sure that there is no farmer who could estimate accurately the amount of grain he has in his granary. Therefore I am sure that 99 farmers out of 100 will be providing false information as to the quantity they have on hand. Subclause 2 reads:

> A prosecution under subsection (1) may be instituted at any time within two years from the time when the subject matter of the complaint arose.

Then paragraph (b) reads:

> If he is a borrower and his loan has not been repaid in full, delivers, or causes any other person to deliver on his behalf, under a permit book that has not been endorsed by the borrower as required by this act, any grain of which he is the actual producer,
>
> is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars.

Section 694 of the Criminal Code reads:

> (1) Except where otherwise expressly provided by law, every one who is convicted of an offence punishable on summary conviction is liable to a fine of not more than five hundred dollars or to imprisonment for six months or to both.
>
> (2) Where the imposition of a fine or the making of an order for the payment of money is authorized by law, but the law does not provide that imprisonment may be imposed in default of payment of the fine or compliance with the order, the court may order that in default of payment of the fine or compliance with the order, as the case may be, the defendant shall be imprisoned for a period of not more than six months.
>
> (3) A summary conviction court may direct that any fine, pecuniary penalty or sum of money adjudged to be paid shall be paid forthwith or, if the accused is unable to pay forthwith, at such time and on such terms as the summary conviction court may fix.

The people who are going to be affected by this legislation are short of cash although they may have plenty of grain. Certainly it would not be difficult to establish that a farmer has given information not in accordance with the facts, and a penalty of $500 would seem to be

heavy under circumstances where the maximum amount he can borrow is $1,500. If a farmer cannot put his hands on the cash and must go to jail for six months it would seem a most objectionable provision. I feel sure that, when farmers are confronted with this possibility, even a smaller percentage will apply for loans than applied in 1951. I wish the minister would consider reviewing this section so that the penalty would not involve a farmer going to jail if he found himself in the position where he could not market any grain for cash and had nothing with which to pay his fine except grain.

Mr. Garson: Mr. Chairman, the fact that the section in question has received the approval of an hon. member who, I think we will all agree, is one of the most eminent criminal lawyers in Canada, the hon. member for Prince Albert, should indicate that there is not very much wrong with it from the standpoint of the accused. Otherwise the hon. member for Prince Albert would not have approved it.

I might say for the benefit of my hon. friend from Mackenzie that in drafting a bill of the sort that we now have under consideration the draftsman has to take into account the existing body of the law. Although it may seem to my hon. friend that this clause creates an offence which he may have thought did not exist before, actually the effect of this clause is to change this stated set of facts which would otherwise constitute the offence under the Criminal Code, of obtaining credit by false pretences, which would be triable upon indictment and carry a maximum penalty of ten years. Having regard to the fact that the offence contemplated here is of a less serious character than the usual offence of obtaining credit by false pretences, it has been set up in the form of what in effect is an amendment to the code. This bill provides that any misrepresentations under clause 9 (1) (a) shall be an offence triable upon summary conviction, for which the penalty shall be a fine not exceeding $500. I think my hon. friend from Mackenzie will agree that this is a very much lesser maximum penalty than ten years' imprisonment. That being the case, the effect of this present provision, as I have said, is to reduce very greatly the character of the offence and the nature of the punishment from what they would be under existing law.

After the accused has been found guilty—not, as my hon. friend has suggested, of merely conveying wrong information, but of knowingly making any misrepresentations in any application or other document or of wilfully furnishing any false or misleading information—he would be punished much more lightly and, we think, much more fairly, in relation to the kind of case that my hon. friend from Mackenzie has just suggested, than he would be if we were to have left the law as it would have been but for the passage of this clause.

Mr. Nicholson: Mr. Chairman, will the Minister of Justice agree with me that any farmer who has a granary full of grain will admit very frankly that when he says he has 1,200 bushels in the granary, that is misleading, and it might be 1,100 or 1,300 bushels?

An hon. Member: Knowingly.

Mr. Nicholson: I think at some point later he will be forced to admit that it is misleading information as to the exact amount of grain he has. I think the Minister of Justice could come out with some sort of wording that would be less offensive and some way of imposing penalties that would be less severe than we have in this legislation.

Mr. Garson: With all deference to my hon. friend, I would suggest to him that the language that has been proven by experience, not over years but over decades, in the Criminal Code is the language that is indicated here: knowingly and wilfully making false representations.

Let us consider the case of which my hon. friend speaks, where a farmer, not being too sure about the quantity of grain in his bin, was inaccurate, but unintentionally so, in making his application for a loan. If any prosecution were later to be based upon that set of facts, the Crown would have to prove beyond all reasonable doubt—and the accused would be entitled to the benefit of the doubt—that not only was the information incorrect but that the accused gave that incorrect information wilfully and knowingly with the intention of securing credit to which he was not lawfully entitled.

Mr. Quelch: There is one point I should like to have clarified. Unfortunately, I am not a lawyer. Clause 9 (1) reads as follows:

> Every person who, after the coming into force of this act, in respect of a guaranteed loan
>
> (a) knowingly makes any misrepresentation in any application or other document or wilfully furnishes any false or misleading information;
>
> . . . is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars.

Clause 14 says:

> This act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Does that mean that any farmer who commits an offence under this clause prior to the coming into force of the bill is not guilty and has not committed an offence under this clause?

Mr. Howe (Port Arthur): Not under this bill. He may come under the Criminal Code, but certainly this bill is not retroactive.

Clause agreed to.

Clauses 10 to 12 inclusive agreed to.

On clause 13—*Extension by the governor in council.*

Mr. Knowles: Mr. Chairman, as I indicated last night, it seems to me that the provision contained in this clause is an objectionable one. As everyone knows, we on this side of the house do not like this bill's inadequate way of dealing with this year's cash crisis in the west. It seems to us that by means of clause 13 the government is making it possible for it to come forward with the same inadequate solution next year if a similar crisis develops, without even having to raise the matter in parliament. If parliament is to give order in council rights, it should do so very sparingly, and it seems to me this is one occasion where that right should not be given.

If it was the intention of the government to make this legislation effective for two years, it should have been so provided in the main part of the bill. I do not like this uncertain way in which the future is left. In fact, I do not like the idea of the government having the power by order in council to extend legislation without coming back to parliament in any way whatsoever.

Mr. Howe (Port Arthur): I think I might clear that up. The government believes it is very doubtful if legislation of this kind will be required next autumn. We look for a very heavy movement of wheat during the summer and autumn, and it may be that there will be no call for the legislation. Therefore there will be no purpose in having it outstanding, unless there is a need for it—and we believe there was need last fall, in spite of what has been said here—if there is a need for it, my hon. friend, after these four or five weeks of filibuster, will hardly expect the government to take the same responsibility again that it has taken this season. Through this bill, it will not be necessary to do so. We think it is very much better to have the authority enacted now, rather than be with no authority.

Mr. Knowles: In spite of what the minister has said, I still think this house has the right to expect the government to bring matters such as this back to parliament.

Mr. Johnston (Bow River): May I ask the minister for a little clarification? Do I understand him to have said a moment ago that any man who has borrowed money under this bill prior to the time the bill comes into force is not liable to the penalty under this clause?

Mr. Howe (Port Arthur): The penalties set out in this bill apply only against a person who commits an offence after this bill has received the royal assent.

Clauses 13 and 14 agreed to.

Bill reported.

The Acting Speaker (Mr. Applewhaite): When shall this bill be read the third time? Now?

Mr. Knowles: Next sitting.

The Acting Speaker (Mr. Applewhaite): Next sitting of the house.

WHEAT

PROVISION FOR PAYMENT OF CARRYING COSTS OF TEMPORARY EXCESS RESERVES

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 83, respecting the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I merely want to reiterate the stand taken on the resolution, that we in the official opposition support the bill. Any discussion on it will be in committee with reference to the several sections; and in view of certain sections to which reference cannot be made on second reading we believe that everything should be done to expedite the legislation, requested as it has been by all the major farm organizations and representing the conclusion of a concerted effort on the part of the farmer's unions throughout western Canada and other organizations of a similar nature for the achievement of this end. Further than that I will not say at this time.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I expressed my views on the principle of the subject matter of the bill at the resolution stage; therefore I am not going to repeat the views I expressed at that time. We are prepared to expedite passage of the bill almost immediately, particularly so because of the method provided for payment of the first instalment on account of this contribution from the treasury to the cost of storage. It is provided that the first instalment of half the amount that is payable shall be paid on the first day of the month following the month in which the act comes into force. We are very close to the end of this month and therefore we hope there will be no delay in passing the bill now in order that the first half of the moneys payable may be made

available on the 1st of March. For that reason we are quite prepared to forgo any detailed discussion at this time and to let the bill pass.

Mr. Victor Quelch (Acadia): Mr. Speaker, at the resolution stage we expressed our approval of the proposal, and now that the bill is before us we still believe it is a good piece of legislation. Therefore we are going to support second reading.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, as well as supporting the motion on the basis of the principle of the bill, I should like to say that since this grain is in storage the government should undertake to pay the costs of the abnormal carryover. In this way the government will recognize its responsibility toward the producers who would normally have to carry this cost if the government had not undertaken to pay it.

The reason for the large stocks of wheat in store is the failure of the government to maintain a selling program of such a type as to get rid of sufficient wheat. Most of the increased production is being carried by the farmers on their farms, and it is only right and just that the government should undertake to pay storage costs. If they had recognized that responsibility with regard to Bill No. 82 there would have been much less trouble. I may say we are very pleased that this bill has come before the house and we intend to support it. We think it only right and just.

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

On clause 1—*Short title.*

Mr. Diefenbaker: Mr. Chairman, the general discussion on this clause will enable certain questions to be asked. One arises out of a statement I made the other day which was somewhat challenged, and I wish to refer to it now. At page 392 of *Hansard* for January 23 there is the following:

> Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will the minister consider closing out the 1954-55 wheat pool account so that prairie producers may receive a larger payment at an early date rather than a smaller interim payment?
>
> Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I stated on a previous occasion in reply to a question by the same hon. member that no consideration could be given to the subject until Bill No. 2 on the order paper is approved by parliament or otherwise. That is still the situation. It will be the situation and I hope the question will not be asked again until that bill is disposed of.

[Mr. Zaplitny.]

> Mr. Argue: Is the minister not aware of the fact that Bill No. 2 is a bill standing in my name, and the bill he refers to is actually a resolution?
>
> Mr. Howe (Port Arthur): Quite right.

What I want to find out from the minister is something of the mechanics under which this legislation will immediately become operative. Would the minister be prepared to advise the committee and the country as to the total amount being paid today for the storage of wheat in the country and terminal elevators? There is also the fact that the legislation when passed will, as the minister said on an earlier occasion, enable a distribution to be made by an early cut-off of the 1954-55 crop in storage in the elevators of this country and as yet unsold.

As I see it, that is one of the major matters at issue at the moment in this legislation, and it is in that regard that the western farmer is particularly interested in knowing approximately what extra amount will be payable to him on account of the wheat in the 1954-55 pool and the saving that will be achieved by the farmer in respect of storage now being paid and ultimately charged to the fund from which distribution is made. How much will the farmer receive in general, and when may he expect that the cut-off for the 1954-55 crop will take place?

Mr. Howe (Port Arthur): Mr. Chairman, on July 31, 1955, there were in store, over the 178 million bushels which is considered normal, another 217 million bushels of wheat, and that 217 million bushels of wheat is the wheat referred as coming under this guarantee. All that wheat belonged to the 1954-55 pool. However, the amount belonging to the pool diminishes day by day as sales and deliveries for export are made. The wheat board receives the government's payments each month, applying on the grain in store.

To the extent that the grain in store is grain from the 1954-55 pool, it will apply to that pool. To the extent that the 1954-55 grain has been disposed of and replaced by grain in the 1955-56 pool the payment will apply to that grain. It is just a matter of bookkeeping for the wheat board to determine to which pool the payments are to be apportioned. This will be done month by month. It is customary to transfer the remainder of one pool into the next pool when a considerable proportion of the pool has been sold and priced. We have never, I think, transferred as much as 100 million bushels from one pool to the other.

Just when the transfer can take place, I do not know. We receive a recommendation from the wheat board when the proper time comes, and at that time the cabinet decides whether it can accept the recommendation

of the wheat board. In this case the situation is somewhat complicated by the fact that when we discovered there was a filibuster under way here we decided we could not ask the producer to wait. Therefore we authorized an interim payment instead of the final payment.

Obviously the amount of the final payment could not be determined until this bill had either been passed or rejected. Now that it has been passed we will continue with the interim payment, and in due course the government will decide to accept the recommendation of the wheat board and the final payment on the 1954-55 pool will be made. After that decision has been arrived at we will be able to announce it in the house.

Mr. Diefenbaker: That is all very interesting but also very general. Is the minister in a position to say that the amount that will actually be credited to the wheat producer under this legislation, in so far as the 1954-55 crop is concerned, would amount to any more than 6 cents a bushel? I have tried to work out a general computation in that regard, and I am asking the minister whether or not any estimate has been made and whether or not that estimate exceeds 6 or 6·4 cents a bushel?

Mr. Howe (Port Arthur): It seems to me that my hon. friend and I both had better cease guessing how much it will be and wait until a computation can be made by the wheat board, who are responsible for pricing the grain. I would not attempt to guess. I would think it would be more than 6 cents, but that would be only my guess.

Mr. Drew: Since reference has been made several times by the Minister of Trade and Commerce to a filibuster, with some appearance of objection to what has taken place, I would point out that there is a very good reason for not guessing. If there were no other ground for some of the discussion that has taken place than the time that was needed for the minister to learn what was the effect of subsection 3 of section 9, it would have been extremely useful in itself. The fact is that the answers that have been given by the minister are well illustrated by his ridicule of the hon. member for Prince Albert when he tried to point out that this subsection 3 of section 9 actually provided the penalty of jail for debt.

Now that the minister has seen what are the facts, we welcome the fact he is not prepared to guess on this occasion. But we would suggest there should not be so much reference to the time taken to convince him of some of the things that were wrong with this act.

Mr. Argue: The statement by the Minister of Trade and Commerce that the passage of this bill was held up by the debate on Bill No. 82 is not accurate at all. The fact that this bill has been delayed until this day is because the government has held back in calling this bill when announcing the business of the house. We in the C.C.F. group and all members of the opposition have been ready from the moment parliament assembled to pass this legislation with a minimum of delay. Nothing the Minister of Trade and Commerce can say can show that we have not been prepared at all times to pass this legislation since it was announced to the house.

As a matter of fact we did our best by way of a vote to get the government to alter its order of business. The fact that this measure has been delayed so long is not only because the leader of the house from time to time announced Bill No. 82 ahead of Bill No. 83, but because the Minister of Trade and Commerce himself on February 3 moved a motion to reverse the decision the house had taken earlier, namely to proceed with the resolution preceding the bill now under discussion. The minister's excuse cannot stand up at all. The government does what it wants so far as announcing the business of the house is concerned.

It is the governor in council who decides when an interim payment will be made or when a final payment will be made. I suggest to the minister that a combined interim and final payment on the 1954-55 wheat pool should be made immediately. The minister has said there is a good deal of wheat still in that account. This should not make any difference. The wheat board and the minister know the price at which grain is being sold today. We have the assurance of the minister, repeated time after time, that grain is being sold now in very large quantities. He says there is no doubt about it; it is all going to be sold in a very short time. I do not see any reason why western producers should have to wait for several weeks, perhaps many months, before they receive a final payment. We have had far too much jockeying in the past by the government with the dates of interim and final payments. I suggest the government should be prepared at a given date following each crop year to make a final payment, and at a given date during the crop year to announce an interim payment.

There is another disadvantage to making an interim payment at this time and a final payment at a later time rather than making a combined payment right now. It is the additional cost. It costs a substantial sum of money to make thousands of cheques payable to producers, and the producers themselves

have to pay the cost of making that extra payment. The final payment, if it were announced now, would be about one year late so far as our experience in the past is concerned. I suggest that the government has erred in not announcing, instead of a small interim payment, a larger final payment so that the account could be closed.

Mr. Nicholson: Before the clause carries I wish to say that I am sorry the hon. member for Vancouver-Burrard is unable to be with us. I think I should say that I am very glad no one but the hon. member for Vancouver-Burrard, so far as I am aware, has expressed any criticism of this particular legislation. I believe it is important that we should recognize that the carrying of food is a national matter. I think it is very fortunate the Minister of Trade and Commerce is able to say today we are likely to have good sales in the next few months. It is unfortunate, however, that a calamity in Europe is going to be responsible for a great many of those countries being short of grain. This points up the value of having in the world stocks of food for emergencies.

I think it is only right and proper that all the people of Canada should carry some part of the cost of maintaining those stocks. I am very glad that no one in the house, with the exception of the hon. member for Vancouver Burrard, has offered any objections to this legislation.

Mr. Campbell: Before this clause carries I would like to get some information. Some time ago I asked the government a question regarding elevator space. When I received the answer I was amazed at the amount of empty space in terminal elevators. I want to know why that situation exists. Is it because of a shortage of box cars or not? Before the minister answers I have another problem to put to him. There was an editorial in the Saskatoon *Star-Phoenix* around February 17 which said this:

> Transport controller Roy W. Milner, whose powers parliament will be asked to renew for two years, said Thursday there is no shortage of box cars holding up prairie grain shipments.

In the same article we find the following:

> Meanwhile, Jake Schulz of Winnipeg head of the interprovincial farm union council, said he is confused by Mr. Milner's remarks. The council is made up of farm groups in the prairie provinces, Ontario and British Columbia.
>
> In a brief before the cabinet, the council had attacked the transport controller because of a reported box car shortage, saying it shows Mr. Milner "is failing in his duties and thus betraying the trust of the farmers".
>
> Mr. Schulz said later he brought up the matter during the council's meeting with the cabinet and was informed by trade minister Howe that because of a box car shortage, prairie grain elevators will not be emptied before the spring navigation season opens.
>
> "What are we to believe?" he asked.
>
> Mr. Howe, under opposition fire because of federal grain policies, recently said in the commons that the big problem in selling wheat was not markets but transportation.

There is a confusion of opinion there. Later on in the same article we find the following:

> Mr. Marler, speaking at Saint John, New Brunswick, Wednesday said figures he has received this month "give me good reason to be confident that the railways are doing an excellent job."
>
> Some critics have suggested that the government's decision to pay storage charges on abnormal wheat carryovers in the hands of the wheat board is complicating the issue.
>
> The government has conceded there is room in elevators for more grain. But the more wheat that is packed into the elevators, the higher the charges the treasury will have to bear, unless the wheat is sold.

What I want to know is, why has this space been accumulating in terminal elevators? Is it going to be the policy of the government to back up the grain on the farms and keep the terminal elevators with a lot of empty space?

Mr. Howe (Port Arthur): I may say that I am confused after listening to my hon. friend. The purpose of the government is to move grain from the farms just as rapidly as possible. There is a very great demand for wheat at the ocean shipping ports, particularly at Vancouver, Halifax and Saint John. The weather conditions in western Canada have been very bad indeed. A combination of circumstances has not made it possible to deliver the required grain at export points and at the same time fill elevator space within Canada. An effort is being made to do both, and I think the situation is improving from day to day. If my hon. friend wants to talk to the transport controller or to any officer of the department in the committee on agriculture and colonization, all the reports are tabled now and he can go there and talk to them directly. He will not have to let me interpret them.

Mr. Campbell: Mr. Chairman, I am not satisfied yet. The minister himself spoke in Edmonton in November. At that time he is reported as having said—I am not going to try to give the figure—that there was a considerable amount of space both at the lakehead and in the western Pacific terminals. Why was that situation allowed to develop when the farmers needed money so badly? Is it the fault of the transport controller? Is it because we have not enough box cars? What is the answer to that problem?

Mr. Howe (Port Arthur): After my hon. friend listens to the evidence given in the

committee he can make his own assessment. I am not very much interested in assessing blame for what has or has not happened. I am interested in getting the job done. It is becoming a little better each day.

Mr. Fleming: The title of this bill is the temporary wheat reserves act. Presumably we are to enact it as a temporary measure. It is fair then to ask the minister what is his best estimate of the length of time over which this measure is likely to be in force?

Mr. Howe (Port Arthur): I could not give an estimate unless my hon. friend is prepared to tell me what is his estimate of the size of next year's crop, and what will be conditions generally. This is self-liquidating legislation. It stays in force until the carryover at the end of any crop year is less than 178 million bushels.

Mr. Campbell: I am going to ask the minister a straight question. Is there a shortage of box cars in Canada?

Mr. Howe (Port Arthur): That is a matter of opinion. I am not prepared to express my opinion. I expressed an opinion at Edmonton in the speech to which the hon. member referred. I said at that time that there was a shortage of box cars in western Canada. There is a much greater number of box cars in western Canada today than there was then. He can take one opinion; I will take another. As I say, he can get the opinions all collected in one room. He will have to make up his mind then.

Mr. Charlton: May I ask the minister whether this section means what I think it means? Is there not some strange use of words there that might give it some other meaning? The section reads:

> If at the commencement of a crop year the stocks of wheat of the board are not in excess of 178 million bushels, no payment shall be made by the Minister of Finance to the board under this act in respect of that or any subsequent crop year.

Mr. Howe (Port Arthur): Yes.

Mr. Charlton: Just exactly what does that section mean?

Mr. Howe (Port Arthur): That is the liquidating clause. It means that if at the 1st day of August in any year the carryover does not amount to 178 million bushels, this act becomes a dead letter.

Mr. Charlton: Mr. Chairman, I take it that might quite easily mean one bushel stored away some place. The act could be carried on for another year if one extra bushel had to be carried over. If that is the correct meaning of it, that is the situation.

Mr. Howe (Port Arthur): What of it?

Mr. Charlton: What of it? It is pretty important, I would think.

Mr. Howe (Port Arthur): If there is one bushel over, the act will remain in force. We will pay storage for the year on one bushel of grain.

Mr. Charlton: One bushel on the 1st day of August.

Mr. Howe (Port Arthur): I know; that is all.

Mr. Charlton: There might be 10 million on the 30th day of August.

Mr. Howe (Port Arthur): It does not matter what it is on the 30th day. We pay storage on the amount in store on the 1st day of August.

Mr. Charlton: Yes, for the year previous. But what about the next year? Do you pay it for 12 months or do you pay by the month? I take it that it would be each month's storage of wheat that it would be paid on?

Mr. Howe (Port Arthur): I think my hon. friend can take my word for it that we pay only on the amount in excess of 178 million bushels that is in store on the 1st day of August of any year. If there is one bushel extra in storage the act remains in force and we pay on that one bushel all through the year, which would amount to 15 cents, I suppose. But if there is one bushel less we do not pay on anything and the act comes to an end.

Mr. Charlton: By the same token, it would seem rather strange if on the 30th day of September, for instance, after the harvest, there was a carryover in excess of 178 million bushels, probably 200 million bushels, then you do not pay the storage on that for the whole of that crop year?

Mr. Howe (Port Arthur): That is not carryover. If my hon. friend would pay a little more attention in the committees that he attends every year he would know that carryover is the amount of grain in store at the end of the crop year, which occurs on the 31st day of July in every year.

Mr. Charlton: I do not think the minister had any justification for making that crack, because I have attended the committee meetings very religiously when they have been held, which has been very seldom. I do not think it has been anything but wheat for the last number of years. I take it, then, that the storage is only to be paid on the excess at the 1st of August for the year, no matter what the excess is during the year,

and that there will not be any storage paid on that until the 1st of August of the next year.

Mr. Zaplitny: The bill refers entirely to wheat reserves, and of course anything additional coming to the producers of wheat will have to be reflected in the dividend payments as they come due, whether they are interim or final payments.

I wonder if the minister would care to inform the committee whether or not consideration was given to making this a grain reserve act instead. There are many large and important areas in the prairie provinces where wheat is not the main crop but where, for example, barley or oats may be the more important crop. Since barley or oats are included in the operations of the wheat board, I wonder whether any consideration was given to including barley and oats under this act to make it a grain reserve act rather than an act confined entirely to wheat. If consideration were given and it was decided against doing this, perhaps the minister could inform the committee of the reason for this.

Mr. Howe (Port Arthur): The carryover of oats and barley has never been a problem. Over the years it has never been difficult to sell oats and barley as soon as those grains are put in a marketable position. The possibility of there being any considerable visible carryover of oats and barley is too remote to warrant consideration in this bill.

Mr. Argue: I wonder if the minister could give us some idea of the policy that will likely be followed, let us say during the latter half of a crop year before we arrive at August 1. This legislation provides for payment for the inventory of wheat in excess of 178 million bushels. It seems to me that the great advantages of this legislation could at least to some extent be reduced, for example in the last few months of the crop year, by buying more than usually large quantities of oats, barley and flax so the space in the terminal and country elevators on August 1 would have in them a greater proportion of oats and barley than might usually be the case. It is quite possible to have a policy of buying large quantities of coarse oats at the end of the crop year. That may not be a great danger or the most important way in which the benefit of this legislation might be reduced.

According to the answer the minister gave, on January 20 there was effective space for 58 million bushels in the country. In other words that would reduce the amount of obligation of the national treasury under this legislation, because the carryover would not be there. The carryover would still be back on the farms. The amount for which payment would be made would be reduced by 58 million bushels. I am wondering if the minister could say what general policy will be followed toward the end of the crop year so this legislation may be as effective as I believe it is intended to be.

Mr. Howe (Port Arthur): Mr. Chairman, as to what grain the wheat board buys, I might say it buys any grain the farmer wishes to deliver on his permit book. If he has delivered all his wheat and wants to deliver oats and he still has space in the permit book for oats, I suppose we would accept oats. But I hope my hon. friend is not suggesting that anyone connected with the government or the wheat board is wilfully going out to buy some oats or barley in order to cheat the farmer out of this payment.

Mr. Argue: Not at all.

Mr. Howe (Port Arthur): As far as shipments are concerned it is always the purpose of everyone connected with wheat to get the wheat as far forward as possible as transportation may make possible. We might have a shipping strike on the great lakes which would intervene, but generally speaking an attempt is made to fill the elevators at the seaports and fill the elevators supporting the ports so there will be reserves against all shipping delays. To do that we make space in the country, and of course farmers wish to deliver wheat to fill that space. I do not think the difficulty foreseen by my hon. friend is likely to arise as a problem if there is a surplus of wheat in the country.

Mr. Argue: I am extremely pleased to obtain that assurance from the minister. I do not want anything I have said to be taken as a reflection on either the minister, the wheat board or the policies they follow. I may just express the hope that box cars will be available so that the large amount of space now available will be filled by July 31.

Mr. Howe (Port Arthur): I share that hope.

Clause 1 agreed to.

Clause 2 agreed to.

Clause 3 agreed to.

On clause 4—*Payment in monthly instalments.*

Mr. Howe (Port Arthur): Mr. Chairman, I am going to ask my colleague to move to amend clause 4 as follows:

That paragraph (a) of clause 4 be amended by deleting the words, "on the first day of the month next following the month in which this act comes into force," in lines 15, 16 and 17 and by substituting therefor the words, "forthwith upon the coming into force of this act".

Mr. Harkness: I should like to ask the minister what is the purpose of the monthly instalments instead of paying this as a lump sum at the end of the year, when the amount of the carryover is determined?

Mr. Howe (Port Arthur): We have been asked to consider a winding up of the 1954-55 pool. Unless the money is in hand it will be difficult to wind up the pool. The purpose of paying monthly is that storage charges are usually paid monthly, and the government should properly pay monthly storage charges on grain the government itself is carrying.

Mr. Harkness: As I understand it, the carryover at the end of the crop year is determined and on anything in excess of 178 million bushels the government is going to pay storage charges. That amount is determined right there and then, as far as I can make out; is that not the intent and purpose of the act? I am therefore just wondering why these payments will be made monthly instead of being made there and then. Is not the matter determined at that point?

Mr. Howe (Port Arthur): Is it my hon. friend's suggestion that it be prepaid? The amount of the payment for the succeeding year is determined on August 31, but the charges do not accrue until the storage has been used. The payments are made each month as the storage charges accrue. The terminals make their settlement with the wheat board each month, following the usual pattern of trade.

Mr. Harkness: The amount that is going to be paid, however, is determined at the beginning of the crop year, and the amount on which storage is going to be paid for next year might be considerably in excess of or less than that?

Mr. Howe (Port Arthur): No.

Mr. Harkness: Why does the minister say no? Is the amount on which storage is going to be paid to vary from month to month throughout the year?

Mr. Howe (Port Arthur): No, the amount paid is on the carryover at the end of the crop year, so many bushels. This year the amount is 217 million bushels. Under this bill that 217 million bushels is to be carried throughout the crop year, no more, no less. That will be the case every year. We carry a definite amount as prescribed in this bill.

Mr. Harkness: Surely the minister is not saying that the board is going to carry 217 million bushels plus 178 million bushels throughout the year. If they can find customers for it they are going to sell it. That is the point I am raising, that the amount of the payment is going to be determined at the end of the crop year and paid in monthly instalments throughout the year, instead of in a lump sum when the determination is made.

Mr. Charlton: This is just further to what I was asking the minister before. The minister has used the words "succeeding payments" and has referred to prepayment. The minister told me before that the amount to be paid was on wheat in excess of 178 million bushels on August 1. Does that mean it will be irrespective of how much was in storage on December 1 of the previous year? In replying to the hon. member for Calgary North the minister suggested prepayment, but as I understand it all we will be paying on is the excess over 178 million bushels on August 1 in any year.

Mr. Howe (Port Arthur): That is right.

Mr. Charlton: Is the minister saying it will be on that excess for the entire year, for the twelve months?

Mr. Howe (Port Arthur): That is right.

Mr. Charlton: Regardless of how much was in storage on January 1 of that year?

Mr. Howe (Port Arthur): Yes.

Mr. Charlton: Supposing there were 200 million bushels in excess in storage as of August 1, would you pay the storage costs on those 200 million bushels for the entire year?

Mr. Howe (Port Arthur): Yes.

Mr. Charlton: No matter how much was in storage on September 1 of the year previous? If that is what the minister is saying, you are twelve months in arrears; each month you are a year behind in your payments, I take it.

Mr. Howe (Port Arthur): No, Mr. Chairman. Perhaps I could explain it this way. We have always been asked to set up a government reserve of wheat, and that is really what this bill does. How do we fix the amount of the reserve? We fix it by the carryover at the end of the crop year on July 31. If that carryover is 178 million bushels, which is normal, plus 217 million bushels, which was the case last July, that 217 million bushels is taken as the reserve which the government will carry for that year. My hon. friend will say that we will be shipping out of that reserve and replacing it, which would mean that it would not be the identical wheat, but we would be taking on 217 million bushels this year as a reserve which the government will carry in the national interest. My hon. friend can argue up and down but that is the situation.

Mr. Charlton: Supposing the situation is that on August 1, 1956, you have 500 million bushels over and above 178 million bushels; you will pay storage for one year on the 500 million bushels.

Mr. Howe (Port Arthur): Unfortunately the elevator space will allow us only to have about 250 million bushels over the 178 million bushels.

Mr. Charlton: I will change the figure.

Mr. Howe (Port Arthur): You can take 500 million bushels as a theoretical figure but it does not mean anything, because physical limitations intervene.

Mr. Charlton: I will take it as 200 million bushels. I was just using the 500 million bushels as an example. With 200 million bushels, when in fact you may not have any more than 178 million bushels in storage as of January 1, I do not see how the minister can argue himself out of that.

Mr. Howe (Port Arthur): I think the hon. member is the only one in the house who is disturbed.

Mr. Charlton: I think the farmers of eastern Canada will become much more disturbed knowing that that is the fact. Who is going to get that six months' storage? The government is going to pay out money when in fact the wheat was not in storage at the time it was paid for.

Mr. Howe (Port Arthur): July 31 is the period between the two crops. That is when the old crop would normally be shipped out and before the new crop starts to move. Any grain in storage on July 31 of any year is going to be supplemented by the new crop which begins to move into the elevators in September and October. During the following year that will be reduced again until the low point is reached at the end of July. That is the time when we fix the amount of the reserve we are going to carry for the next year.

Mr. Charlton: Is the minister saying now that all the wheat that is grown in the west is going to be taken into storage by September 1? In effect is the minister saying that all the excess will be in storage for at least a month when in fact the actual harvesting would not take place until September 1?

Mr. Howe (Port Arthur): I give up.

Mr. Argue: I imagine what the hon. member is worrying about is that this is going to cost more money this way than if it were drawn up in some other way. I suggest that the least amount of grain that the wheat board is going to have on hand at any time in the year will be about August 1, before the new crop is harvested. If you want it to cost the treasury more, let us start this storage arrangement as soon as the crop is marketed. We will then get storage for a year. But the way it is drawn now the prairie farmer will get something from the treasury only when there is a very large carryover, something excessive in relation to the experience we have had in the past. I am all for any suggestion that will increase the storage payment, but I think my hon. friend's worries are misplaced.

Mr. Harkness: As far as I can see the minister has not yet answered my question as to why this should not be paid in a lump sum. He said, "Do you want us to prepay it?" It is not a matter of prepaying it at all. As I see it, the situation is that if the excess held in storage on August 1 in any year is, we will say, 200 million bushels, that wheat will have come in during the previous year and the wheat board will have already paid the storage charges on that wheat or on a good part of it. Some of it may have been in the elevator for a year and a half, and certainly the wheat would be in for varying lengths of time. In any event the wheat board will have already paid the storage charges on the wheat and under this bill the money is going to be paid by the government at the rates laid down. Therefore it is going to go back into the farmers' hands and the farmers will be that much better off as a result.

The thing I cannot see is why that payment is not made at the end of the crop year when the amount that is going to be paid is determined, instead of being made as provided by this subsection in twelve monthly instalments. The advantage of paying it in a lump sum is that it would be an initial payment which could be determined immediately and the cash would go into the farmers' hands, rather than having it spread out over twelve months and delaying it getting back to the farmer.

Mr. Argue: A final payment.

Mr. Harkness: That is the point I am getting at.

Mr. Howe (Port Arthur): My hon. friend is taking too seriously the fact that this legislation is intended to cover the crop year 1955-56.

Mr. Harkness: 1954-55.

Mr. Howe (Port Arthur): No, 1955-56. It applies to the grain that is in store during the year 1955-56. It is true that all the grain that is in store at the beginning of this

period must have been in the other pool, because the grain delivered in 1954-55 belongs to the 1954-55 pool. That grain, on the 1st day of August, 1955, was in the elevators; it was the government's reserve of wheat. We are going to pay charges on it for the rest of the year. Those charges accumulate daily, but they are settled on a monthly basis. So on the 1st of September we owed certain money; on the 1st of October we owed certain money; and on the 1st of November we owed certain money. We have not been able to pay that money because we did not have the legislation, but we are going to settle our debt in a lump sum to the end of February. After that we are going to pay monthly as charges accrue. We are simply paying currently as the charges on our reserve accumulate.

Mr. Harkness: Then may I ask the minister this question. This is the situation, as I understand it. This money that is going to be paid, in this case about $32 million, I think the minister said, is going to be available to settle up the 1954-55 bills, is it not?

Mr. Howe (Port Arthur): No. Part of it is.

Mr. Harkness: Now the minister says "No", and he says, "Part of it is". How much is going to be applicable to and available for settling up the 1954-55 pool?

Mr. Howe (Port Arthur): We shall always assume that we shall be paying interest on 217 million bushels of wheat every month. In the month of August it will all belong to the old pool. But if during that month we shipped out 25 million bushels there would be 25 million bushels less in the old pool and 25 million bushels applied to the new pool. That would be occasioned by deliveries during the month of August. Each month we ship out certain grain which is credited against the old pool, and we replace it as grain applying to the new pool. The storage charges that we pay are allocated according to whether the grain to which they are applicable belongs to the old pool or to the new pool. This is a calculation which only the wheat board can make, but which the wheat board must make if they carry out this legislation.

Mr. Harkness: Has the minister not received from the wheat pool any calculation, or does he not know at this time, how much of this $32 million is going to be applicable to the 1954-55 pool?

Mr. Howe (Port Arthur): I really do not know. It depends how rapidly we can sell out the old pool. When all the old pool wheat is gone, naturally there will be no more payments on that pool. But I think my hon. friend should be able to see that the amount in the old pool is a diminishing amount until the old pool is wholly disposed of, and he will see that the amount payable on the 1955-56 pool is an accelerating amount until all the wheat for which we are responsible is wheat belonging to the 1955-56 pool.

Mr. Harkness: Perhaps one of the difficulties here is that this legislation is going to be retroactive to some extent. Therefore the only thing one can take is the calculation made on the 1st of August, whatever it is. Say it is 200 million bushels of wheat that was the surplus at that time, and it was accumulated over the previous year. The wheat board has already paid storage on it. This payment is being made to them for storage. Part of the money is to repay them for storage already made.

Some hon. Members: No.

Mr. Harkness: That is certainly what is being done as far as the present situation is concerned. At the same time the minister says it has been paid month by month because it is to cover the interest payments they will have to make during the next year. Surely it is either retroactive or it is not retroactive. The minister has already said that it is retroactive, in part at least, to the 1954-55 pool. Therefore I do not think he can have it both ways in connection with this matter.

Mr. Howe (Port Arthur): Perhaps I can explain it. As of the 31st of July, 1955, everyone is paid. The storage that has accumulated on wheat up to that time has been paid.

Mr. Harkness: Yes.

Mr. Howe (Port Arthur): Then, beginning there, the wheat in storage on the 1st day of August is divided into two lots; 178 million bushels, which is the normal carryover and will continue to be paid for by the pool, and 217 million bushels, which is going to be paid for by the government. That wheat is going to be held in storage for the full year. So each month we pay the storage charges on 217 million bushels of grain. Is that clear?

Mr. Harkness: I have already said that myself.

Mr. Howe (Port Arthur): No. I just want to go step by step. If we take two steps at once, we shall get my hon. friend confused again.

Mr. Harkness: I said that myself a few minutes ago.

Mr. Howe (Port Arthur): You were going back to the 1954-55 pool.

Mr. Harkness: Yes.

Mr. Howe (Port Arthur): That is why you got everybody confused. We are going to pay

on 217 million bushels from the 1st of August, 1955, until the 31st of July, 1956. Now this is where my hon. friend, I hope, will not interrupt me, because I have explained it twice, and this will be the last time. If he does not understand it this time, he can talk the rest of the day but I will not say anything more.

The question becomes what proportion of the 217 million bushels belongs to the old pool and what proportion belongs to the new pool. That proportion will vary each month. Finally, say about April, the old pool will have disappeared and the full payment applies on the new pool, for in the meantime the old pool is being shipped out. A smaller proportion each month applies to the old pool and a larger proportion applies to the new pool. Does that mean anything at all?

Mr. Harkness: I do not think the minister and I are in any misunderstanding in connection with the actual operation that is taking place, and so forth, but the point is this. I have not the wheat pool report for 1954-55 with me—it came out not very long ago—but I think it shows a deficit in the wheat account, leaving out oats and barley, of some $14 million. That is at the end of the old crop year. There have been some differences in that, as wheat has been sold so far. The point I am getting at is that at least part of this $32 million is going to be used to make up that deficit; and the remainder, as far as I can see, is going to be used to make this interim payment which is going to be made to farmers on account of wheat they delivered into the 1954-55 pool. Will the minister say whether that is not the situation?

Mr. Howe (Port Arthur): No.

Mr. Harkness: I should like an answer from the minister to that question.

Mr. Howe (Port Arthur): The answer is no.

Mr. Harkness: When the minister says the answer is no, does he mean that this $14 million deficit is not going to be made up out of this $32 million?

Mr. Howe (Port Arthur): The deficit in the pool accounts is purely a bookkeeping deficit. The grain in store is credited with the initial payment. It will be sold later at the market price and the deficit will gradually be turned into a surplus. It has nothing to do with this bill or anything we are discussing now. Every time we bring down a statement from the wheat board there is a deficit shown, and that deficit is a bookkeeping deficit. I do not ever remember seeing a statement come down showing a surplus. At that time of the year it is not normal to have a surplus.

[Mr. Howe (Port Arthur).]

Mr. Harkness: I think perhaps the place to prosecute this matter further is in the committee on agriculture and colonization when the wheat board accounts are dealt with there. However, I think there is no question but that in effect that is what is going to happen to this money. Perhaps there is not much use in our continuing to argue further about the matter here.

Amendment agreed to.

Clause 4 as amended agreed to.

On clause 5—*Use of moneys by the board.*

Mr. Diefenbaker: Mr. Chairman, I should like to find out from the minister the reason for the inclusion of certain words in this clause. First I will read the clause, and then I will refer to the words to which I wish to direct attention. The clause reads:

> The board shall, as the governor in council on the recommendation of the board directs, use moneys payable to it under this act in payment of expenses incurred in connection with the operations of the board attributable to wheat, and the board shall adjust its accounts accordingly.

What is the purpose of the addition of the words, "as the governor in council on the recommendation of the board directs"? My understanding of the wheat board is that it is an autonomous body not subject to the direction of the governor in council, which receives certain moneys for certain purposes as explained by the minister in that rather incongruous collection of explanations the committee has had in the last few moments. Why does the governor in council step in here? Why is the governor in council empowered to act as a kind of director for the wheat board? The wheat board receives certain moneys under clauses 3 and 4, which moneys are payable to the board by the Minister of Finance. Why should the governor in council direct what the board shall do on its own recommendation?

Mr. Lesage: Because this is the taxpayers' money.

Mr. Diefenbaker: Well, I am very much interested in that statement. I am not so sure that is the explanation, but if that is the reason it is at least a step in the right direction. The board receives moneys for certain purposes and must use those moneys payable in payment of expenses incurred in connection with the operations of the board and pursuant to the statute itself. Why then does the governor in council retain, over and above the statutory provisions, a further power as set out in this clause? I am asking that because this is an unusual clause.

I am not one of those who believe that these boards should be placed above parliament but I do ask why, when the board

is circumscribed under a statute in respect of the moneys it receives, it has to go to the governor in council and obtain an order in council to do that which the statute itself empowers the board to do. That cannot be brushed off by the mere suggestion on the part of the minister who interrupted a minute ago that it is because it is the taxpayers' money. It was the taxpayers' money. It is turned over to the board in pursuance of the statute to do certain things. Why is the board not permitted to do those things, empowered as it is by the statute, without having to go to the governor in council again to have an order in council passed to empower the board to do that which parliament authorizes the board to do, and to do it on the recommendation of the board?

Mr. Howe (Port Arthur): What part of the legislation is my hon. friend referring to with respect to directing the board how to apply these funds? Which clause directs the board how to use these funds?

Mr. Diefenbaker: I am referring to the words beginning with the fourth word in the first line of the clause and ending with the word "directs" in the second line. Why are those words included?

Mr. Howe (Port Arthur): This calls for a decision on the part of the board as to the amount applicable to the earlier pool and the amount applicable to the later pool. There is no way we can set that out exactly in an act. It is an arbitrary division. The board recommend it, and as a matter of fact the board ask that their recommendation be considered and confirmed by the government. No board likes to make such an arbitrary division and have it questioned later on by the Auditor General or by anyone else.

Mr. Diefenbaker: Mr. Chairman, if the government is learning from the criticisms of the opposition I must say this is a laudable step. I was merely asking for information to ascertain the situation, because only in the last few days we have had an example of how far parliamentary control is actually removed on occasion. On the 16th of this month we had an example, as found at page 1231 of *Hansard*, when the hon. member for Burnaby-Richmond endeavoured to place a petition before parliament embodying the request of himself and those associated with him for the establishment of a television station in British Columbia. The Clerk of the house took it on himself to say this:

> It is my opinion that since parliament has vested in the governor in council and in the Minister of Transport the exclusive authority to approve and issue licences for the operation of television stations, the house has no jurisdiction in such matters. . . . Therefore, I maintain that according to the practice of this house the petition should not be received.

The petition was regular; yet parliament was placed in the position that it dare not consider the matter covered by the petition because a board had been set up independent of parliament and not subject to the control of parliament, in so far as the exercise of the powers are concerned, to determine where television stations shall be established.

That is the reason I am asking for information now. If this clause is designed to bring back to parliamentary control, to a greater extent than under any other statute up to the present time, boards set up with absolute powers as under this legislation, then I most certainly commend the stand. I think it is a proper thing, and that is the reason I am asking for information. On the 16th of February I heard Mr. Speaker approve the Clerk's decision that this parliament cannot even have a petition brought before it because a board has been set up, and I must say that if that is the case then indeed a trend is taking place that is very serious and derogatory to the powers of parliament.

I am glad to have the minister's answer; and if this clause means that from now on whenever these matters come up, because the governor in council will have the power to pass an order in council the information will then be furnished to parliament by the responsible minister, then I certainly commend what has been done in this connection because that is what we have been contending for. We have contended that these boards should be subject to interrogation through the minister in the House of Commons, to the end that their actions must be ratified by parliament and be subject to the scrutiny of parliament.

Clause agreed to.

On clause 6—*Limitation.*

Mr. Fleming: There is one question on clause 6. We have been dealing with a figure of 178 million bushels, and certain answers have been given as to how it was arrived at. However, I would ask the minister if, with greater particularity than he has exercised thus far, he would indicate just how the figure of 178 million bushels was chosen as the breaking point for this purpose.

Mr. Howe (Port Arthur): The first year of big crops was 1951. We went back from then 15 years and took the average carryover of the 15 years.

Clause agreed to.

Title agreed to.

Bill reported.

Committee on Atomic Energy

ATOMIC ENERGY

SPECIAL COMMITTEE TO EXAMINE INTO ROLE OF GOVERNMENT IN NON-MILITARY RESEARCH

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved:

That a special committee be appointed to examine into the role of government in the field of non-military research in Canada, including:

(a) operations in the field of atomic energy,

(b) operations of the national research council.

That the committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to day as may be ordered by the committee and to report from time to time; and that notwithstanding standing order No. 67 the committee shall consist of twenty members.

Mr. Green: Is the minister going to make a statement?

Hon. W. E. Harris (Minister of Finance): I take it that although this will not be a lengthy debate there will be some speeches that hon. members would like to make on it. Perhaps we could break the rules to the extent of adjourning this and calling it five o'clock so that we could proceed with the other business.

The Acting Speaker (Mr. Applewhaite): I always hesitate to accept the responsibility of calling it five o'clock before it is five o'clock, because the sponsor of some private measure may not be present, and I do not think it should be held against him if that is the case.

Mr. Harris: Quite so.

On motion of Mr. Harris the debate was adjourned.

PRIVATE BILLS

MORRIS GILBERT

On the order:

Second reading of Bill No. 109 (Letter W-3 of the Senate), intituled: An act for the relief of Morris Gilbert.—Mr. Hunter.

The Acting Speaker (Mr. Applewhaite): As often occurs, there are a number of divorce bills. Is it agreed that these second readings be taken at the same time?

Mr. Stanley Knowles (Winnipeg North Centre): No. I would prefer you to call this order; then I move, seconded by the hon. member for Mackenzie (Mr. Nicholson):

That the house do now proceed to order No. 46.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Hon. W. E. Harris (Minister of Finance): Just on a point of order, Mr. Speaker, I have no objection to my friend taking this proceeding without notifying me, but is there any particular reason for this so we can judge the situation?

[Mr. Howe (Port Arthur).]

Mr. Knowles: With regard to the initial statement of the Minister of Finance the hon. member for Parkdale (Mr. Hunter), whom I advised of my plan, was going to inform the minister. I do not hold it against him if he neglected to do so. In answer to the minister's question, we feel that there are other items of legislation of more importance than divorce bills.

Mr. Harris: I do not oppose the motion at the moment, Mr. Speaker, but for the record I should like to enter an objection that those persons who have followed the procedure and filed their petitions and have bills before the house are entitled to have those bills considered in whatever sequence we normally reach them, though there may be special reasons for putting off this or that bill. I have no objection to the motion, sir.

Motion agreed to.

CHURCH OF ENGLAND IN CANADA

Mr. C. W. Carter (Burin-Burgeo) moved the second reading of Bill No. 122, an act respecting the general synod of the Church of England in Canada, the missionary society of the Church of England in Canada, the women's auxiliary of the Church of England in Canada and the Church of England consolidated trust fund.

He said: In order to understand the purpose of this bill, Mr. Speaker, it is necessary to know something about the organization and administration of the Anglican Church of Canada. For purposes of church government the fundamental unit of the Anglican Church of Canada is the diocese, which is under the authority and guidance of a bishop in matters both spiritual and temporal. The diocese of Newfoundland to which I belong was founded in 1839 with the Right Rev. Aubrey George Spencer as its first bishop. Previous to this Newfoundland had been administered as part of the diocese of Nova Scotia, which had been founded in 1787. In 1844 Bishop Spencer was succeeded by Bishop Field.

The letters patent which nominated the Rev. Edward Field as bishop also declared that on appointment Bishop Field would become a body corporate with the ordinary powers and functions of any corporate body. As soon as a diocese is sufficiently well organized a governing body known as the diocesan synod is set up to administer the temporal affairs of the diocese.

The diocesan synod of Newfoundland was organized in 1870 and incorporated in 1875. Every diocesan synod is composed of two houses, the house of the clergy which includes all the clergy active in the diocese,

and the house of the laity which is composed of the lay delegates appointed by each parish at its annual meeting. Matters which affect the whole church of Canada are in the hands of a corporate body now known as the general synod of the Anglican Church of Canada. This general synod is composed of two houses, the upper house or the house of bishops and the lower house made up of a body of lay and clerical delegates who are elected in equal numbers by each synod. It will be seen, therefore, that the system of government employed by the Anglican Church of Canada closely parallels our own federal system. The diocesan synod would be the counterpart of the provincial government and the general synod would be the counterpart of our own parliament of Canada.

The last meeting of the general synod took place at Edmonton, Alberta, from August 30 to September 8 of last year. The upper house consisted of 40 bishops, of whom 28 were diocesan bishops and the remainder were retired bishops. The lower house was composed of 284 elected delegates, half of whom were lay delegates and half clerical. One of the first matters considered by the general synod at this last meeting at Edmonton to which I have just referred was the following resolution:

> Resolved that the church hitherto known as the Church of England in Canada shall in future be styled the Anglican Church of Canada.

After due consideration and debate this resolution was passed by both houses with a substantial majority. The vote in the upper house or the house of bishops was 23 to 4 and in the lower house 174 to 40. I should like to make it quite clear that the decision of the general synod to change the name of the church requires no parliamentary sanction whatever. However, at various times in the past this parliament of Canada has passed a number of acts dealing with various bodies and organizations affiliated with the church and with the property owned by those bodies. As the name of the church has been written into some of these acts, the purpose of this bill is to effect a corresponding change in the name of the church wherever it appears in any of these measures.

Hon. members may wish to know why it was decided that a change of name was necessary. I can assure hon. members that it was not a snap decision. It has been under consideration on and off for over 40 years. It first came before the general synod in 1911. It was considered by the general synods of 1915, 1918 and 1921. It came up again in 1931 and was dropped until 1949. While support for the change tended to increase during the years, on none of those occasions was there sufficient support to have the change approved by any of the general synods. In 1954 the Primate set up a commission to study the whole matter, and it was the recommendation of this commission, embodied in the form of a resolution, that was passed at the last general synod.

The primary reason for the change was that the name "Church of England in Canada" no longer properly describes the present autonomous and independent status of the church in Canada as it did in the early days of its history.

Hon. members may recall I pointed out at the beginning of my remarks that the diocese of Newfoundland was founded in 1839. Prior to that date the work of the church in Newfoundland, and in all the colonies, was financed from the mother church in England and carried out under the direction and authority of the Bishop of London. The first chaplain arrived in Newfoundland from England in 1583, and it is possible that this date may mark the beginning of the history of the Anglican Church of Canada.

The cathedral parish of St. John's, Newfoundland, of which I am a member, claims the distinction of being the oldest parish of the Anglican church in Canada. It was organized by Rev. John Jackson in 1699, and financed largely by funds supplied by church organizations in the old country. One of these organizations was the society for the promotion of Christian knowledge, commonly known as S.P.C.K.; another was the S.P.G., or the society for the propagation of the gospel.

Today the situation is quite different. The Anglican Church of Canada is financially independent and conducts its own missionary activities in various parts of the world. Indeed, one of the highlights of the general synod at Edmonton was the presentation of a gift of $50,000 to the newly-appointed Bishop of Korea for his work in that diocese. No longer do our clergy come to us from England. Our clergy today are recruited from our own congregations and trained in our own Canadian theological colleges. Our bishops are no longer nominated by letters patent. They are now elected by the diocese which they are called upon to govern. It is quite probable that the late Bishop of Newfoundland, the Right Rev. Philip Abraham, who passed away on December 22, 1955, is the last member of the house of bishops to be consecrated following letters patent.

Another reason was that the missionaries and clergy working among newly arrived immigrants found that the name "Church of

England in Canada" conveyed to these people the erroneous idea that membership in the church was confined and restricted to people of English birth and ancestry. Be that as it may, after many years of consideration this decision to change the name of the church has been approved by a substantial majority in both houses of the general synod. This bill results from that action, and since it is a matter of importance to some 2 million Anglicans in all parts of Canada, I strongly recommend it to the house for approval.

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I should like to support what my colleague from Burin-Burgeo has said. My words will be few. I think it has been found by the Anglican church in Canada that as Canada has grown and become sovereign in her own right—and particularly is that so since the union with Newfoundland—the church has found herself somewhat in the same position. It is now by this legislation and by law becoming sovereign in its own right in Canada. It is felt that since this nation has grown up and become independent, so the Anglican church in Canada is now fully grown, and this is another step to show that it is now sovereign in its own right. I have much pleasure in supporting the petition of my colleague from Burin-Burgeo.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

Mr. Speaker: It was agreed earlier to by-pass divorce bills and let them stand until later this day, and take second reading of Bill No. 146. Is that agreed?

Some hon. Members: Agreed.

CANADIAN EQUITY INSURANCE COMPANY

Mr. John Hunter (Parkdale) moved the second reading of Bill No. 146, to incorporate the Canadian Equity Insurance Company.

Mr. Macdonnell: Will the sponsor of this bill say something about it?

Mr. Hunter: Mr. Speaker, the object of this bill, of course, is to incorporate a company which shall carry on the business of fire insurance and classes of insurance other than life insurance. Its capitalization will be $1 million divided into 10,000 shares of $100 each.

In the event of incorporation of the company, arrangements have been made for the subscription for and the issue of 5,000 shares of the company at par and the payment of a premium of $500,000 to the company for shares by certain proposed shareholders. In the result, before the company commences business it will have capital and surplus accounts totalling $1 million, which is $250,000 higher than the present minimum amount desired by the Department of Insurance. No incorporation fees or expenses are to be charged to the company.

It is expected that after incorporation, shares will be issued so that the capital of the company will be held as follows: 50 per cent by a Dutch insurance company whose name I would not even attempt to pronounce; 20 per cent by the Hibernian Fire and General Insurance Company Limited of Ireland; 19 per cent by another Dutch company which I would not attempt to pronounce; 5 per cent by another one that I cannot pronounce; and 6 per cent by the directors.

The head office of the company will be in Toronto. The initial classes of business for which a certificate of registry will be sought are: fire insurance; accident insurance; automobile insurance; boiler insurance, excluding machinery; inland transportation insurance; personal property insurance; plate glass insurance; real property insurance; theft insurance; and in addition thereto civil commotion insurance, earthquake insurance, limited or inherent explosion insurance, falling aircraft insurance, impact by vehicles insurance, limited hail insurance, sprinkler leakage insurance, water damage insurance, weather insurance and windstorm insurance, limited to property insured under a policy of fire insurance of the company.

The amount of the company's paidup capital and premium is sufficient to qualify the company to apply for a certificate to transact all classes of insurance other than life insurance.

I think that is about all that is relevant.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

INTERPROVINCIAL TRUST COMPANY

Mr. John Hunter (Parkdale) moved the second reading of Bill No. 147, to incorporate Interprovincial Trust Company.

Mr. Macdonnell: Would the hon. member make a statement; this is very interesting.

Mr. Hunter: My hon. friend is immensely curious. This bill has been fully discussed with Mr. MacGregor of the department and it is believed that he is satisfied in all respects as to the people behind the company and the proposed method of operation. The applicants, of course, are just provisional directors at the present time, although they may become permanent directors.

It is intended that the initial capital of the company required by Mr. MacGregor before

a licence will be issued will be raised by private financing, and that after it has been incorporated and licensed to do business, additional capital will be raised by selling shares to an underwriter who will in turn sell them to the public.

The present intentions of the people behind the company are that they will as soon as possible open offices in Toronto, Edmonton, and Vancouver, and that as the company develops offices will be opened in other major cities of the country. The company intends ultimately to carry on a general business of the same nature as that carried on by most of the existing leading trust companies.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

On the order:

Second reading of Bill No. 148, an act respecting Quebec North Shore and Labrador Railway Company—Mr. Brisson.

Mr. Speaker: In the absence of the sponsor of this bill it will be allowed to stand. Shall we now revert to divorce bills?

Mr. Stanley Knowles (Winnipeg North Centre): That was not what was in my mind when I moved that we proceed to order No. 46. It was my intention after that for us to move to order No. 70. I thought when it was done by agreement it was understood we would now go on and move to public bills.

Mr. Speaker: The only point that has to be made clear for the purpose of the scroll is that when the hon. member for Winnipeg North Centre moved his superseding motions the motion for second reading had not been proposed from the chair and therefore he was not superseding anything but it was understood that it was the wish of hon. members that the first group of divorce bills be not proceeded with by agreement, and not by virtue of his superseding motion.

Mr. Knowles: It is quite satisfactory to me, Mr. Speaker, that the divorce bills were passed over by agreement rather than by passing the motion, but it was my thought that in passing over them we were passing over them for today.

Mr. Speaker: That would be agreeable. Is it agreed?

Some hon. Members: Agreed.

Mr. Harris: Yes. I think it is probably well known that the hon. member wants to make a speech in the remaining 45 minutes and I suppose we really ought to humour him.

Mr. Speaker: What does that mean?

Mr. Stick: Our genial minister.

Mr. Speaker: Is it agreed that all the divorce bills on the order paper will stand?

Some hon. Members: Agreed.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 152, REVISED STATUTES OF 1952—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 5, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

He said: I confess that it is a temptation to respond to the challenge that was thrown to me a few moments ago by the Minister of Finance, but I also confess that it is not my intention to speak for 45 minutes if for no other reason than that the rules would limit me to 40 minutes. However, I shall limit myself to an even shorter period of time.

The bill now before the house is one which should be well known to all hon. members. It calls for the addition of a subsection to the appropriate section of the labour code, otherwise known as the Industrial Relations and Disputes Investigation Act, which would write into the labour code the voluntary revocable check-off.

The voluntary revocable check-off, Mr. Speaker, is a device whereby the collection of union dues is facilitated particularly in cases where a union has been properly certified and is the recognized bargaining agent in relationships between a group of employees and their employer.

This bill has been before the house a great many times. The history of the way in which the house has dealt with it is, I believe, pretty well known to hon. members. Despite the fact that it has been defeated a number of times some of us still hope that one of these days the government will realize that the rights of labour, one of which is set out in this legislation, deserve the passing of this bill.

As hon. members know, as long ago as 1948 a provision in exactly the words that are spelled out in Bill No. 5 was written into the Industrial Relations and Disputes Investigation Act when that legislation was before the committee on industrial relations. The sponsor of the motion on the basis of which the check-off was written into the labour code at that time was the then Liberal member for Spadina who is now an hon. member of the other place.

Despite the fact that the committee on industrial relations approved of the check-off

being written into the labour code at the time we dealt with it in 1948, when that bill came back to the committee of the whole house it was opposed by the then minister of labour and on the motion of another private Liberal member it was deleted from the labour code. Ever since then we on this side of the house have been trying to persuade the Liberals to accept this Liberal idea which, as I say, originated so far as legislating efforts in parliament are concerned with the hon. member who is now known as Senator David Croll.

I remind hon. members also that later in that same year the last national convention of the Liberal party was held. National conventions of the Liberal party are historic events; they do not occur very often. There was one in 1919, another was held in 1948 and there is a certain amount of interest as to when the next one will come. At any rate, at the national Liberal convention in 1948 a resolution was passed in support of union security.

Union security is a broad term. It is something which can be implemented in a number of different ways and to varying degrees. It is recognized that the voluntary revocable check-off is one form of union security. Therefore I suggest that the fact that in the spring of 1948 a Liberal member tried to write the voluntary revocable check-off into the labour code, taken with the fact that the national Liberal federation a few months later passed a resolution supporting union security, is a pretty clear recognition that the rank and file of the Liberal party were in support of the proposal made by the then Liberal member for Spadina.

Despite the fact that the Liberal party is committed to supporting the principle of union security, despite the fact that quite a number of Liberal members have voted for this bill across the years—in one session I think the number of Liberals who supported it got as high as 17, which is quite remarkable—the government as a whole has not seen fit to agree to this legislation. I hope the day will come when the government will see the wisdom of this legislation and will realize that it does involve a recognition of the rights of labour which labour in Canada deserves.

In addition to the support of this principle which has been shown by the Liberal party in the way I have indicated, my bill has had the support of the three groups on this side of the house every time it has come to a vote.

I might point out also that in at least six provinces of Canada the provincial labour legislation includes some version of the voluntary revocable check-off. Those provinces are the three in the far west, British Columbia, Alberta and Saskatchewan, together with three of the maritime provinces, namely Newfoundland, Prince Edward Island and Nova Scotia.

Mr. Stick: May I interject to say that Newfoundland is not included in the maritime provinces. If the hon. member would use the words "Atlantic provinces" he would be more correct.

Mr. Knowles: I was afraid I was going to have an argument over my statement about the check-off, but I am happy to make the correction that Newfoundland regards itself as one of the Atlantic provinces, not as one of the maritime provinces. At any rate, Newfoundland, Prince Edward Island and Nova Scotia of the Atlantic provinces do have the check-off in their labour legislation.

This business of six provinces supporting something has become a bit of a watchword in relation to another piece of legislation. I hope the fact that we have six provinces supporting the principle of the voluntary revocable check-off will make this bill more acceptable to the Minister of Labour (Mr. Gregg) and to the government in general.

In addition to the six provinces I have mentioned as having the voluntary revocable check-off, I believe that in the minister's own province of New Brunswick there is a provision for the voluntary revocable check-off with respect to workers in the mines. I do not think the provision in New Brunswick is as broad as it is in the other provinces, but at least there is a partial provision there. In other words we have got beyond this magical number of six, we have got to the point where about six and a half out of the ten provinces have the voluntary revocable check-off.

Mr. Brooks: New Brunswick is more than half a province.

Mr. Knowles: I seem to be having trouble with my friends from the Atlantic and maritime provinces. I hope they will understand that any error is quite unintentional. I did not mean that New Brunswick was half a province, not at all. Perhaps I can put myself in the clear by pointing out that my father was born in Nova Scotia and my mother was born in New Brunswick, so I would not indulge in anything derogatory to the maritime or Atlantic provinces. What I meant was that New Brunswick is half way along with this particular type of legislation.

In addition to the support of this principle which I suggest is indicated by the facts I have stated to date, I am sure the Minister of Labour knows that when the question of the

check-off has come before conciliation boards, more often than not such boards have recommended in favour of some form of union security, and more often than not in favour of the voluntary revocable check-off except in those cases where something better has been recommended such as the Rand formula. It is a few years now since there was a treatise on this matter in one of the issues of the *Labour Gazette*. However, in that treatise, figures were given showing that out of 125 cases that had come before conciliation boards where the question of union security was involved, 90 of the boards had recommended in favour of some form of union security.

While across the years the trade union movement has had to fight pretty hard to be recognized—it is a long story and I shall not attempt to go into it at this time—the point has been reached in Canada where it is becoming fairly generally recognized that labour unions are here to stay. They have a tremendously important part to play, not only on their own behalf and on behalf of their members but in the economy of the country, and all possible steps should be taken to accord them full recognition.

Because this point of progress has been reached, to me, to many of us on this side of the house, and I think to quite a few on the Liberal side of the house as well, it is disappointing that the federal government is still dragging its feet so far as this matter is concerned. It may be pointed out, and quite successfully, that a good many of the employees who come under federal labour jurisdiction already have the check-off in one form or another. For example, the railway employees have even more than the voluntary revocable check-off; they have the Rand formula.

Surely with this principle being established by law in so many other jurisdictions the time has come when the federal government—it can no longer give the lead because that has been taken by others—should follow along and put this principle into our federal labour legislation.

As to the meaning of the phrase, voluntary revocable check-off, I believe this is pretty well covered by the language of the bill. I do not think the wording is ambiguous as the drafting of bills sometimes is. May I spell it out by saying that what is involved in the voluntary revocable check-off is that when a union has been certified by the Canada labour relations board as the bargaining agent for a group of employees, then and only then that union has the right to request, which request must be granted, a check-off of the dues of its members. Even after that, under the terms of the voluntary revocable formula, the dues of individual members are checked off, that is deducted from the pay of the workers and paid over to the union, only for those individual members who sign cards or statements asking that their membership dues be deducted from their wages. Even after the deduction has been provided for in that way, it is still revocable in that any member of a union who has requested that his dues be deducted may revoke that request and, if he does so, the company discontinues deducting that particular employee's union dues. So it is clear that it is the very minimum of what is known as union security. It is the least provision one can ask to further the cause of helping to retain union membership and making it possible for unions to get along with other important business rather than spending time on the details of collecting dues.

The idea of a check-off is not confined to unions. Most employers, whether government or private, make deductions of one kind or another from their employees. The best known form of check-off, and the one most widely practised, is that which comes under the Minister of Labour's colleague, the Minister of National Revenue, in the income tax deductions that take place at the source. Almost everyone in Canada whose income is in a bracket that makes him taxable at the end of the year finds that there is a deduction made from his cheque every week, every two weeks or every month. In addition to that, people request deductions for various charities to which they wish to make contributions, or for purchases of Canada savings bonds and so forth. Pension fund payments are also deducted at the source. In fact, I have seen statistics of firms where there are scores of items that are deducted, not from the same individual, but deducted by an employer in the course of his business.

Why there should be this resistance by management to this particular type of deduction is hard to understand, unless it is that somehow or other management likes to hold back on the full recognition of the rights of labour and the place of the trade union movement in our economy.

Many fine things are said in this house and on public platforms of all kinds throughout the country about the place of Canadian labour in our economy, about the right of our working people to their hard-won privileges, about their right to a decent standard of living and their right to security. That is all wrapped up, so far as workers are concerned, in their organized effort through their trade union movement, and they feel very

strongly that they should have the recognition implied in the voluntary revocable check-off.

I have no doubt that when a very important event takes place in the city of Toronto, beginning April 23, the Minister of Labour will be there and will extend his greetings, and the greetings of the government and people of Canada, to the Trades and Labour Congress of Canada and the Canadian Labour Congress on the occasion of their merging into the Canadian Labour Congress. It will be a very important and significant event, and all of us who are related in any way to the labour movement are very proud of the step that is being taken. We feel that it will be for the good of workers generally and for the good of Canada that unity has been achieved between these two major labour bodies, and it augurs well for the future, not only because of the union that is taking place but because of the spirit in which it is being effected.

It seems to me that the Minister of Labour would feel much happier going to that convention—if he gets an invitation, as I am sure he will—if he could indicate to the new congress a few steps that have been taken this very year to show that the recognition of the labour movement consists not just of words, not just of the fine speech he will make from the rostrum if he goes there, but in legislation such as this that would mark a further step in national recognition of the place of the trade union movement in this country.

As I say, I have been pleased that in the past we have had the support, not only of all those on this side of the house but of a dozen to 15 or more Liberals, when this measure has come to a vote. I hope that this year the Minister of Labour will support it and that this piece of legislation, which recognizes the right of labour in a particular way, will be included in our national labour code.

(*Translation*):

Mr. Arthur Masse (Kamouraska): Mr. Speaker, in the six years I have been sitting in this house this question of the compulsory check-off has come up quite often, practically every year. After a thorough study of the matter I have come to the conclusion that it is my duty to oppose this legislation.

I want to say first of all that I am in favour of trade unionism. Secondly, each worker should support his own union. Thirdly, that achievement should come about through an agreement between employee and employer, and not through an act of parliament.

Here is what this legislation seeks to accomplish, and I quote section 1, paragraph 3:

> Upon request of a trade union entitled to bargain collectively under this act on behalf of a unit of employees and upon receipt of a request in writing signed by any employee in such unit, the employer of such employee shall, until the employee in writing withdraws such request, periodically deduct, and pay out of the wages due to such employee to the person designated by the trade union to receive the same, the union dues of such employee.

I will come back later on to that last part, for I believe it is up to the worker to designate that person.

> And the employer shall furnish to such trade union the names of the employees who have given and withdrawn such authority.

I do not agree at all with the sponsor of this bill when it comes to the means of effecting such social security. Since I have been sitting in this house I have often noticed that all groups represented here approve the principle of a bill but disagree on the way it should be carried out. If this legislation could bring about a greater measure of social security I would gladly vote for it, but I fear its adoption would have rather dire results.

The economic history of Canada shows that trade unionism plays a very important part, even an essential part in our industrial expansion. In my opinion, labour legislation derives its strength from the fact that it enables the members of a group or nation to obtain information on the matters under dispute. I agree with those who believe that unions have come to stay and if we want to protect them, we must give them the opportunity of extending their activity, and not hamper their work.

It is not by fostering disagreement between employers and workers that we will promote unity in trade unions. In that connection, I would like to quote an excerpt from "The Labour Problem in the Light of the Social Doctrine of the Church in Quebec":

> Professional organizations.
>
> In order to make their full contribution in the national economy, promote their professional interests and further their legitimate claims in the economic and social fields, workers must unite in strong professional organizations.
>
> Every man is bound to ensure the protection and security of all his professional interests. He should strive to secure for himself and his family what he needs to lead a truly human life, sheltered from the uncertainties of the future. He must contribute to the welfare of his fellow citizens, particularly those who share with him common interests. It is his duty to co-operate toward the

restoration of a better balanced social order, while furthering the respect for justice in all labour, industrial and business activities. Alone, he cannot succeed. By uniting with his fellow workers, he will be able to discharge that imperious social duty. Under present circumstances, he has therefore a moral obligation to take an active part in professional organization.

And I now quote paragraph 106:

By striving to ensure unity and harmony between capital and labour, one is not hampering the work of trade unions; on the contrary, such an effort is essential to ensure a careful and courageous evolution towards the adequate development of the labouring class; such an evolution will bring permanent and stable results.

In brief, the proposed legislation does not favour in the least the labouring class but does favour the union leader who wishes to ensure the perenniality of his salary.

Mr. Speaker, I have learned and I have taught that a good engineer, when undertaking to change the topography of a piece of land, must accept the ensuing consequences.

The same goes for any attempt to change the basis of the legislation and regulations pertaining to employers and employees.

I am also convinced that the standard of living of our working class can easily be compared to that of the labouring class of other countries.

This is due to the fact that our legislation has done more than any other to further the development of the labour movement in this country. Why should we complicate by legislation the friendly relations between employers and workers?

If improvements have been so consistent, we owe it to the understanding and the intelligence of our labouring class, supplemented by a wise legislation contributing to the application of principles capable of promoting the development of the labouring class.

If I have not taken part in this debate up to now, it is because, being the representative of a predominantly agricultural district, I had decided to abstain from speaking; however, having received from a mining organization of my province a request to oppose this bill, I felt it my duty to express my opinion after a careful study of the matter.

I do not believe it is fair to ask employers to do the work which the unions themselves should do. This procedure could very well bring about indifference on the part of the worker as regards his union since he would no longer be in contact with his association. Moreover this would seem to infer that the worker would not pay his dues willingly.

I am too well acquainted with the workers of the province of Quebec to allow such doubts to be cast upon the way in which they discharge their obligations. I would like to quote further, in this connection, from "The Labour Problem in Quebec", page 12.

A number of facts observed by us among the working people of Quebec are such as to give rise to real admiration because they reveal the riches of the worker. Our city families, our workers have fine qualities. Could we remain silent in the face of the sacrifices which the working class father constantly undergoes on behalf of his wife and children? How could we do justice to the devotion of those many wonderful mothers through whose strength and resourcefulness families find comfort in adversity and a livelihood from a limited budget? Through an appropriate education and in co-operation with their husbands they find the means of bringing up their children in a Christian way and of preparing them for urban living.

We have noted that our province has become largely urban in character. The adaptation of the countryman to city living is difficult. The worker and his family are beset with dangers, but resistance is taking shape. Class consciousness is developing among our workers; they demand that their rights be respected. Faced with this rising force some are worried, others remain confident and these are the more numerous.

Let us assume that there are in this country one million workers paying two dollars monthly. That means two million dollars per month that the employers alone would be called upon to pay over to the union treasury.

It seems to me that that is contrary to the right of the individual to do what he pleases with what is rightfully his.

In carrying out my professional duties I have always tried to let responsibilities remain where they belong. In this instance these responsibilities are those of the employer, the worker and the province concerned.

And when I say that this is the business of the employer and the worker, I quote again from the publication entitled "The Labour Problem in Quebec", page 50:

Relations with employees

The true employer, whatever the number of his employees, realizes his obligations as head of a working community. He appreciates his employees, not only for their physical strength or their productive ability, but also for their co-operation in a common endeavour and, particularly, for their dignity as men and Christians. A Christian employer is known by his determination to create a happy atmosphere in the enterprise, by his genuine solicitude for his associates in the labouring effort, by the genuine charity he shows towards them.

As regards the worker, I quote from page 34 of the same book:

Action required of the ones primarily interested.

The rehabilitation of the worker's status can be achieved properly only if workers have a noble and truly Christian appreciation of themselves and only if they are fundamentally prepared to co-operate and to help. Before counting on the

help of others, they must rely on their own efforts, on their own defence, on their mutual assistance, in the application of which the basic element is the feeling of close solidarity between those who give and those who take. They shall therefore be the primary makers of their improved situation, failing which the best reform projects cannot achieve the desired results.

Moreover, the province should make sure that it can exercise its rights. To this effect, I wish to quote, from page 61 of the same publication, an excerpt dealing with the role of the state as between employers and workers.

The workers, who are primarily interested, the employers, the members of the liberal professions and the educators who, in varying degrees, have a considerable influence over the life of the workers, should aim to contribute, each in his own way, to the rehabilitation of the labour conditions, and to "improve gradually and by peaceful means the physical and spiritual status of the working man". In their service, the state wields authority in order to place all, and therefore the workers, within easy reach of living conditions corresponding to their dignity. While it is not part of the state's duty to substitute its own action to that of the individuals and the lower level groups, it is within its province to take particular care of the weaker members.

I believe that very few Quebec companies fall under the federal labour code and that it would be more advisable to let the provincial governments legislate in this matter. I also believe that the only ones who could solve the problem to the advantage of those involved are the workers and employers themselves.

In my opinion, union security, whatever it may be, should continue to be discussed by the company and the union, with a view to eliminating all coercion.

Moreover, it would become increasingly difficult for the provincial governments who, until now, have resisted all union pressure to write the check-off into their labour code,—it would become increasingly difficult, I repeat, to maintain their opposition to this request, which scarcely tends to improve industrial relations.

For all those reasons, I shall oppose the adoption of this act as long as the workers of my province have not convinced me that it is needed.

(Text):

BUSINESS OF THE HOUSE

Mr. Harris: Monday will be private members' day, Mr. Speaker. Tuesday we shall take the motions on the order paper setting up the several committees, beginning with that of estimates and then atomic energy. After that we shall take second reading of the Canadian Farm Loan Act.

Mr. Knowles: May I ask if it is the intention to have the third readings previous to those items or later on?

Mr. Harris: Monday, normally.

Mr. Knowles: We are speaking about Tuesday and the third readings of the bills that were moved up today.

Mr. Harris: Certainly.

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

ANSWERS TO QUESTIONS

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

C.N.R.—CURTAILMENT OF SERVICE, P.E.I.

Question No. 81—**Mr. Matheson:**

1. Is the Canadian National Railways planning to further curtail its train service in Prince Edward Island?
2. If so, will the curtailment be on the lines east or west of Emerald junction?
3. What curtailment of service is planned?
4. Would such curtailment of service be in keeping with the ruling of the board of transport commissioners in July of 1955?

Answer by: **Mr. Marler:**

1. The management of the Canadian National Railways advises that changes in timetables are made in the spring and fall of the year. These matters are now under study by the management but no changes have as yet been decided upon.

2, 3 and 4. Answered by No. 1.

C.N.R.—PERSONNEL STATISTICS, MONCTON, N.B.

Question No. 99—**Mr. Murphy (Westmorland):**

1. How many persons are employed by the Canadian National Railways Atlantic division at the present time at or operating out of Moncton, New Brunswick?
2. How many persons were employed with the Canadian National Railways Atlantic division in the years 1945 to 1955, inclusive, at or operating out of Moncton, New Brunswick?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1. Average number of employees in January, 1956: 4,621.

2. Average number of employees: 1945—4,318; 1946—4,476; 1947—4,358; 1948—4,464; 1949—4,458; 1950—4,395; 1951—4,567; 1952—4,698; 1953—4,763; 1954—4,576; 1955—4,519.

TRANSPORT CONTROLLER DIRECTIVES TO RAILWAYS

Question No. 113—**Mr. Johnson (Kindersley):**

1. How many directives to the railways were issued by the transport controller, during the months of October 1955, November 1955, December 1955, January 1956?
2. How many box cars were involved during each month?
3. What movement of rail cars resulted from the directives?
4. Who assumes the responsibilities of the transport controller during his absence?

Answer by: **Mr. Marler:**

1. None.

2 and 3. Answered by No. 1.

4. Deputy transport controller.

Questions

NEWFOUNDLAND—DUTY ON MACHINERY IMPORTS

Question No. 136—**Mr. Macdonnell:**

1. What was the total amount of customs duty paid by the Newfoundland government on all machinery imported into Canada in connection with the building of the cement plant at Corner Brook, Newfoundland?
2. What was the total amount of customs duty paid by the Newfoundland government in connection with all machinery imported into Canada in connection with the gypsum plant at Corner Brook, Newfoundland?
3. What was the rate of duty collected in each instance?
4. Was there any rebate paid back on these amounts paid by way of duty on machinery for either the cement or gypsum plant?
5. If there was any such rebate above mentioned, to whom was it paid, what was the amount of rebate and the percentage of rebate to total amount of duty paid: (a) in the case of the cement plant; (b) in the case of the gypsum plant?

Answer by: **Mr. McCann:**

1. As importations are not always described according to their ultimate use or destination and since an importer may enter goods through any number of different ports, it is not possible to ascertain with any degree of certainty the total amount of customs duties which any importer might have paid out in connection with importations for any particular purpose. Moreover, an importer might make importations through a number of agents or might obtain his imported goods from other importers all for the same purpose. It is not the practice of the department to furnish information which would disclose the private transactions of importers or exporters at customs.

2. See answer to No. 1 above.

3. The rates of duty collected on importations by the Newfoundland government for either of the above purposes were at the rates established in the Customs Tariff in accordance with the classification of the goods.

4. Answered by No. 1 above.

5. Answered by No. 1 above.

UNEMPLOYMENT ASSISTANCE AGREEMENTS

Question No. 179—**Mr. Garland:**

Which provinces, if any, have signed agreements under the federal government's offer to share the costs of unemployment assistance?

Answer by: **Mr. Martin:**

British Columbia, Newfoundland, Prince Edward Island and New Brunswick have signed agreements. It is understood that the offer is being given serious consideration by several other provinces.

HOUSE OF COMMONS

Monday, February 27, 1956

The house met at 2.30 p.m.

SHRI GANESH VASUDEO MAVALANKAR

DEATH OF SPEAKER OF INDIA'S PARLIAMENT—MESSAGE OF CONDOLENCE

Mr. Speaker: Sad news has come this afternoon from India that the hon. the Speaker of the House of the People in India has died. Many hon. members will recall Mr. Speaker Mavalankar when he was here in Canada as a visiting member on the occasion of the conference of the Commonwealth Parliamentary Association. As hon. members know, he was also the president of the general council of the Commonwealth Parliamentary Association. His death is a loss indeed to India and also to the commonwealth as a whole because he had a great knowledge of constitutional law and parliamentary procedure and had made a great contribution to the affairs of all commonwealth parliaments.

In your name I sent a telegram to the secretary general of the India parliament which reads as follows:

Please convey to Mrs. Mavalankar and members of your parliament condolence of members of Canadian House of Commons and myself in sad loss of Speaker Mavalankar.

Louis René Beaudoin,
Speaker of the Canadian
House of Commons.

NATIONAL PARKS ACT

AMENDMENTS RESPECTING PENALTIES, PROCEDURES, ETC.

Mr. C. E. Johnston (Bow River) moved for leave to introduce Bill No. 150, to amend the National Parks Act.

Mr. Knowles: Explain.

Mr. Blackmore: Explain.

Mr. Johnston (Bow River): Mr. Speaker, the purpose of the bill is to make a change in subsections 1 and 2 of section 8 of the National Parks Act so that the rights of citizens may be better protected and also that the penalties and procedure may be brought more into line with present-day practice.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES POWER COMMISSION ACT

AMENDMENTS CHANGING NAME, AUTHORIZING SUPPLYING OF OTHER UTILITIES, ETC.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) 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 Northwest Territories Power Commission Act to change the name of the commission to "Northern Canada Power Commission"; to authorize the commission to supply public utilities other than electrical power and to operate outside the territories; also to provide a fund to enable the commission to carry on investigations; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

ST. LAWRENCE SEAWAY

AMENDMENTS TO AUTHORIZE OPERATION OF BRIDGES, ESTABLISHMENT OF TOLLS, ETC.

Hon. George C. Marler (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 empower the St. Lawrence seaway authority to construct, maintain and operate international bridges as specifically authorized by the St. Lawrence Seaway Authority Act, and to construct, maintain and operate incidental works; to provide the specific authority for the construction of an international bridge; to enable the authority to establish tariffs of tolls with respect to pedestrians or vehicles using highways or bridges under its authority; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

MOTION FOR PAPERS

MILK TENDERS, D.V.A., LONDON

Motion No. 27—**Mr. White (Middlesex East):**

For a copy of all telegrams, correspondence, memoranda and other documents exchanged between the chief purchasing officer, Department of Veterans Affairs, Daly building, Ottawa and dairy firms and all other interested parties, having to do with tenders for milk to be delivered to the Department of Veterans Affairs, London, Ontario, since August 1, 1955 to date, and also a copy of all tenders submitted on forms 2 R-LO-64, since August 1, 1955 to date.

Motion agreed to.

Conservation

CONSERVATION

PROPOSED CONFERENCE TO CONSIDER NATIONAL POLICY

Mr. H. W. Herridge (Kootenay West) moved:

That, in the opinion of this house, the government should consider the advisability of calling a dominion-provincial conference on conservation, with the view to the establishment of a nation-wide policy on soil, forest and water conservation and land use for Canada.

He said: Mr. Speaker, this is the fifth occasion on which I have moved a similar motion in this house. I take advantage of the opportunity provided by the rules of this house to bring this important question to the attention of the chamber. I do so with undiminished zeal and in the hope that the minister will finally be convinced of the soundness of our arguments, of our pleas and of the urgent need for our proposal and the public support behind it throughout the country. I trust that this afternoon the atmosphere of the house will be such that we will be able to imagine falling water, the sough of wind in the firs, and the smell of the good earth.

I never rise to speak on a resolution such as this without remembering the many occasions upon which the former member for Davenport, the late Mr. MacNicol, spoke on similar questions. I remember his interest in this matter and the travelling he did throughout this country to promote public interest in the principles of conservation.

I rise also because the policies of this group are based fundamentally upon reverence for life and reverence for creation, and in that spirit we in this group are constantly advancing suggestions for the conservation of human and natural resources.

I do not wish to exaggerate the importance of the problem. The solving of the conservation problem alone is not going to save this country or save the world. Political, social, educational and other measures are indispensable, but unless the conservation of natural resources is practised generally throughout this country in the near future our efforts in other directions will fail. In my opinion a government concerned with economic and political problems cannot ignore the necessity for the conservation of natural resources. If it does it is attempting to erect a national structure without sound foundation and it will simply not stand the test of time. In my opinion the most imminent danger is that we shall not realize how very short we are of that one unrenewable natural resource, time. If we delay until the next year or the next decade or the years to come, we shall be wasting just so much valuable time.

[Mr. White (Middlesex East).]

Other peoples and other civilizations suffered the consequences of ignorance, ineptitude, inaction and delay, and there is no reason why that experience cannot be repeated in Canada if we continue to procrastinate.

Our national health requires first of all that our renewable natural resources—those are the resources with which we are dealing this afternoon—be used to produce as much wealth as possible on a sustained yield basis throughout the years. We dare not exhaust those national resources to a dangerous point, because there are no substitutes.

As I said previously, this is not a partisan question. There is support in all political parties for the principles of conservation, and there is an opportunity in practising the principles of conservation for public ownership, for co-operative ownership and for private initiative. In my opinion, we shall require all three working together if we are going to solve this question satisfactorily.

There is an increasing recognition of the importance of conservation of our resources. More and more people are expressing their concern and their support for those principles. I wish to deal momentarily with just a few. I read recently that Lord Alexander of Tunis in a speech said this:

The forests of Canada are one of our greatest national assets and their conservation and use for the benefit of Canadians, present and future, is of great importance to all citizens everywhere.

On May 4, 1953, as reported on page 4764 of *Hansard*, the Prime Minister (Mr. St. Laurent) had this to say in speaking in a similar debate:

We recognize, as do all other hon. members, that the natural resources of Canada are a heritage to be developed and conserved for the purpose of providing the greatest possible measure of opportunity and security for all Canadians.

On February 16, 1955, as recorded on page 1205 of *Hansard*, the Minister of Northern Affairs and National Resources (Mr. Lesage), speaking on a similar resolution, said this:

I agree with him, however, that conservation of our natural resources is undoubtedly one of the most important subjects that can be discussed in this house.

Then we have in the Minister of Mines and Technical Surveys (Mr. Prudham), a minister who I know is interested in conservation of natural resources and who practises what he preaches. I was told recently that last summer when he was on his summer vacation he was out fishing with a party that caught a considerable quantity of fish. After using all they could in the camp that evening, they had a number left over, and then the instinct of the minister in support of the principles of conservation began to work. Do you know what the minister did?

He had heard many times about artificial respiration of human beings and the minister said: "Why not practise it on fish?" The minister practised artificial respiration on a number of fish, brought them back to life, put them in the water, and they went away to be caught another day. That is a true story.

An hon. Member: That is a fish story.

Mr. Herridge: Ask anyone to check on that. Then the agricultural institute of Canada—

Mr. Knowles: It was probably caught by another minister.

Mr. Herridge: —has for a long time urged a national policy of conservation of soil, water and other natural resources in Canada. They have had a very good committee working on this question throughout the year. The Canadian forestry association has urged the government to give increased attention to the question of the conservation of forests. During last year they were the sponsors of a dominion-wide conference on renewable natural resources. The recent convention of the Canadian lumbermen's association is another indication of the interest of the lumber industry in increased federal expenditures for the protection of our forests and national leadership in the question of a nation-wide conservation policy.

The Canadian Federation of Agriculture has taken an active part in studying this whole question, particularly the question of river bank erosion in British Columbia in recent years. The trades union congresses have indicated their interest in the matter. So have county and municipal organizations, particularly in the province of Ontario, as well as universities, the press, many periodicals and increasingly wide sectors of private industry in Canada, particularly the pulp and paper industry. There is also a very rapidly growing number of private Canadian citizens who are becoming interested in the subject because of the activities of these other groups.

I recognize the good work done by the federal government in certain directions, under the Prairie Farm Rehabilitation Act, the water resources act and the good work under the Rocky mountains conservation board act. In that connection I must pay tribute to Major General Kennedy. There is a man who is thoroughly imbued with the spirit of conservation as applied to forest resources. There is a man with a technical understanding of the problem, with the earthy approach that is required to get the co-operation of his officials and the people directly concerned. I think his work has proven very successful.

As I said before, various other bodies and organizations, particularly the pulp and paper industry, have carried on somewhat extensive research in recent years which has been of great value to all those interested in the problem. However, in my opinion there is a necessity for federal government leadership and financial assistance at this time to assure the satisfactory conservation of these resources on a nation-wide basis. I repeat that while there is a great deal being done in various directions we have, not only in my opinion but in the opinion of most responsible and informed people throughout the country, reached a point where there is an increased and urgent need for federal government leadership on these most important questions.

When speaking on my resolution last year the minister gave three reasons for not agreeing to accept it. While he supported the principles of conservation in general, he gave these three reasons for not being able to accept the resolution. First, he said that the prime responsibility for conservation of resources rests with the provincial governments. Second, he said that the suggestion for federal action should come from the provincial governments. Third, he had grave doubts as to the success of a conference called to deal with all renewable natural resources.

In reply to his first argument with respect to the matter being the prime responsibility of provincial governments, I would ask the minister if this argument applied when the old age pension legislation was adopted, when the Trans-Canada Highway Act was passed, when health grants were undertaken, and other measures. Second, the minister says that the federal government should first be asked by the provinces to co-ordinate a conservation program. I would ask the minister who took the initiative with respect to the income tax agreements, national unemployment insurance, federal-provincial agricultural conferences and so on. I would ask who took the initiative in the formation of a commission to study conservation in Canada in 1909. I think the federal government acted wisely in all these cases and saw that if there was going to be a satisfactory state of affairs in these cases it was necessary that it should take the initiative and leadership and not wait for the provinces to ask the federal government to act in a certain direction. The third reason has to do with the doubts expressed by the minister as to the success of a conference

called to discuss the conservation of all renewable natural resources. In that respect I will admit his argument has some validity. I think he has some grounds for argument there. It is a vast subject and possibly that would not be the best way to approach it in the first instance.

It might be better—and I agree with the minister to that extent—to call separate conferences on forest resources, on water resources and on soil and land resources, then at the appropriate time, call a final national conference which would be called together to correlate the work of these other conferences that have been going on throughout the years and to work out a draft for a final decision for a nation-wide conservation policy.

This year I have changed my resolution to this extent. I have changed the word "national" to "nation-wide". I am beginning to acquire the habits of the Minister of National Health and Welfare (Mr. Martin). I do not want any implication of centralization or federal domination of the provinces and things of that sort. I thought if I copied the Minister of National Health and Welfare in this respect and changed the word "national" to "nation-wide", it would remove every possible opportunity to suggest that the federal government was going to dictate to the provinces. I am sure I am on sound ground in that respect because there is no one more fitted to present a problem so as to avoid offending the sensibilities of any province than is the Minister of National Health and Welfare.

Today I have time to deal with only one aspect of conservation policy, namely, forest conservation. Other members of this group—and, I hope, members from other parties—will deal with water conservation, soil conservation and land use. I also hope we shall hear something from members who are interested in wildlife conservation because all of these subjects are correlated. Wildlife depends on forest conservation, water conservation and land conservation. I trust we shall hear something from those who are particularly interested in wildlife in this country.

I want to give a few figures to support my arguments with respect to certain comments I am going to make in connection with forest conservation. I particularly want to bring to the attention of the house the national revenue derived from the forest industry and the federal government's investment in conservation programs for this resource in relation to others. I have obtained these figures from the bureau of statistics. They are for 1953. They were the latest figures I could get worked out in this form.

[Mr. Herridge.]

In 1953 agriculture gave a net added value to the economy of Canada of $2,113 million. The government's investments in agriculture, in the estimates, are $75,565,308 this year. I see the Minister of Agriculture (Mr. Gardiner) looking at me and I suspect he might rise and say that the figure is not quite exact. May I explain, Mr. Speaker, that I have deducted the $2,167,783 that is in the minister's estimates for forest biology and scientific investigation into forest diseases. I can never understand why that matter was in the minister's department anyway. I find that mining in 1953 was responsible for a net added value to the Canadian economy of $1,101 million. That figure included primary mining, $791 million, and smelting and refining, $310 million. According to the estimates the government investment in mining this year is $22,832,265.

What is the situation with regard to forests? In 1953 the forest industry gave a net added value to the economy of Canada of $1,540 million made up as follows: Logging, $634 million; pulp and paper, $600 million; saw milling, $270 million. In this year's estimates the government invests in the forest industry in Canada $6,845,612 which also includes the money that is being expended by the science service of the Department of Agriculture for forest biology investigation. Now I think, Mr. Speaker, this demonstrates the improvident approach of this government with respect to investment in the protection of the forest industry in Canada, particularly in view of the revenue derived by the federal government from the forest industry. I think it is only common sense to increase the investment to ensure the permanency of that revenue.

I am quite confident, Mr. Speaker, that Canada's forest crop can only be maintained in the future, and in the very near future, by federal-provincial co-operation and the implementation of a nation-wide policy combined with a much larger federal investment in that industry. In total, if my information is correct, Canada has adequate timber reserves at this time but they are unevenly distributed. In some areas there is over-cutting, in some areas there is under-cutting, and in some areas the cutting is in balance. However, we are rapidly approaching the point, particularly with the rapid development of the pulp and paper and lumbering industries, where we could quickly commence to dissipate our forest capital. Professor Zavitz of the Ontario forest service said two or three years ago that Ontario's total annual growth that year was destroyed by fire, insects and disease, plus 7 per cent depreciation of the forest capital by cutting.

Now, that is a very serious situation in one province. Ontario is doing some very excellent work in connection with forest conservation. All our forests are constantly threatened by fire. Unless large sums are spent to protect them, with the increase in population and the increasing number of people moving about in the woods, in bad years the protection of these forests will be beyond the capacity of some of our provincial governments. I speak from nearly 50 years' experience in living in the woods, operating a forest and lumbering industry, and working in a heavily timbered region. I have fought fire on many occasions. I recall shortly after the first world war witnessing the destruction of 100 million feet of timber in four hours and 30 minutes. The hon. member for Vancouver-Quadra (Mr. Green) will know the district of which I am speaking. This fire consumed the timber between Summit lake and Slocan lake in one afternoon. The destruction occurred because the small fire which started the large blaze was not tackled early enough. The whole thing in forest protection is to get to the fire while it is small.

I shall never forget that experience because there was a magnificent mixed growth of fir, hemlock, cedar and white pine. The sight of 100 million feet of potentially commercial timber destroyed in four and a half hours is something that leaves an imprint on the mind of a person who is interested in natural resources. I might say, Mr. Speaker, the very first fire in which I had occasion to take part occurred when I was hiring horses to pack supplies. They were very unusual supplies in those early days. As a diversion I might say that was where I was first introduced to what was known in those days as Kootenay chowder. All the men in the camp away in the mountains build a big bonfire. In my supplies there were several cases of clams and several bottles of whiskey—that always went with fighting fires in those days. In case anyone is interested in the recipe, it is this. You get a four gallon kerosine tin, dump into that a case of clams and three bottles of rye whiskey, add one tablespoonful of dynamite, boil the whole for one hour and serve hot with bannocks. I have given that experience because it was my first experience in fighting fire, and it was quite a dramatic business. Anyway, my experience in the early days, not recently, with a great many fires, convinced me that that is the primary and first problem with respect to the protection of our forests of this country.

Naturally, I think the federal government should assist the provinces in five or six ways as far as the protection of their investment in the forestry industry is concerned. As I said before, the first should be increased assistance against fire. The most complete protection against fire is the most urgent duty of any administration, whether federal or provincial, but at the same time it is the most difficult and the most costly. The danger increases with increasing population. Out of an average of 5,000 fires reported each year in Canada, almost 4,000 are now caused by human activities. Funds are required to provide access roads, trails, radio communication, lookout towers, planes, helicopters, ranger cabins, warning signs and other equipment.

Years ago, because of the cost of fighting fires and the new people in the country at the time, many of the fires above levels of about 5,000 feet were not attended to. It was usually said, "It is not economic to protect that timber." In many cases it was not commercial timber but it was a great mistake. Many of the flash floods that are occurring in British Columbia now, in the interior particularly, are occurring because the small brush, the smaller timber, was burnt out in the basins at the headwaters of those creeks. It is just as important to put a fire out whether it is up 6,000 or 7,000 feet as it is to put one out at the thousand-foot elevation. But it takes money to do it. Because of this menace the federal government should gradually increase its assistance to the provinces for fire-fighting service.

As said before, Mr. Speaker, from my experience I give that as the No. 1 problem with respect to the protection of our forests. I admit the federal government is making some grants at the present time under the Canada Forestry Act and by agreement with the province; but there should be increased appropriations for continuing our forest inventory. Some people are of the opinion that if you take stock of the timber you have in the country, once you have gone over the whole of Canada, you have your stock there and you simply deduct that which is destroyed by fire, that which is cut and that which is destroyed in other ways, and then you have the remainder. But if a timber inventory is to be worth anything we must have a continuous inventory of our timber resources in this country. That takes some planning and some extra cash.

The second thing that the federal government should do is to increase the grants to the provinces for carrying on a continued inventory of our timber resources across this country.

The third thing we should think about is forest management, research, both fundamental and applied research. While forest management is essential, the results of good management are not fully realized without

respect to scientific utilization. In some cases I find men who are very interested in conserving the forest and growing a crop of timber but who lose interest at that point. Unless we have scientific utilization a lot of the value of our forest management will be lost.

At this time I must pay a tribute to the work of the forest branch of the minister's department. I think his officials are doing an excellent job with their limited resources, and I repeat that "limited resources". I also must say that the forest products laboratories are doing a work in this country that is recognized by very few people. Their studies in utilization, which is most important, if applied by the industry generally, will save this country the waste of hundreds of millions of feet of timber. Do we realize that if we protect our forests against fire by the practice of the best management principles—suppose we are doing that without adequate scientific utilization—even today in Canada on the average only 50 per cent of the trees standing in the woods across the country as a whole are manufactured into products for sale to consumers? We have to do a great deal more than that, and I must say again the work that is being undertaken by the forest products laboratories is a work that, if used by those who are producing great quantities of wood in the lumbering industry and in the pulp and paper industry of this country, could produce in the future hundreds of millions and possibly thousands of millions of dollars of increased revenue from resources that are now being wasted.

Then, there is the question of reforestation, which is very important. I place that as fourth. In our section of the country, in southeastern British Columbia, we have natural regeneration. Our people generally practise a system of selective cutting. In other places it is necessary to have clean cutting because of the huge stands of virgin timber. There is no second growth underneath. Then there are other places where replanting is required. Anyway, I think there is increasing need for federal assistance, assistance to the nursery stations, assistance for replanting, and there is also a need for studies in erosion. With respect to logging roads, and things of that sort, difficulties are increasing very rapidly because they use very heavy equipment in the woods in these days and there is need for assistance. When they used horses for logging purposes they did not dig large trenches in the woods; they did not make those gullies which quickly become creeks in the springtime. There should be a considerable increase in the assistance given by this government to the provinces for reforestation.

Then, last of all, in my opinion, education is of paramount importance. I know good work is being done by the forestry branch in this respect in the distribution of literature, press releases, radio addresses, pamphlets and booklets, and good work is being done by organizations such as the Canadian forestry association, by some of the universities, by some of the provincial governments and by some other private groups; but further funds are required—again limited funds—to carry on a more extensive program of public education and co-operation between governments, public bodies and individuals interested.

Without any question, Mr. Speaker, the facts prove the value of our forests of Canada, and prove that they warrant a much larger investment by the federal government in their protection and development. I do not suggest for a moment a sudden great increase in the estimates of the forest branch. I think we have an example of what can happen when you get a sudden increase in estimates. We all know of the wasteful expenditure of the Department of National Defence. In some respects it was occasioned by a sudden great increase in money available without any staff and without the planning necessary to use that money effectively. I am not suggesting a sudden great expansion in the estimates. I am suggesting, as a result of nation-wide conservation policy being developed, a gradual policy being devised and a gradual increase in the estimates of the forest branch of the minister's department, as a staff can be trained and as the program can be developed so that the funds will be spent efficiently and planned as a result of federal-provincial co-operation.

I have tried to illustrate, Mr. Speaker, as far as the forest industry is concerned, the need for a nation-wide conservation policy, protection and development of our forest resources as one facet of our renewable natural resources. Similar arguments will apply to water resources, soil and land resources and to wildlife. One of the greatest weaknesses today in facing conservation of natural resources is the number of governments and other agencies in this country who are concerned, and definitely concerned, in different phases of these problems.

Therefore in conclusion may I say that I think two things are essential for success, and I think it is essential that there be success in the near future. The first is the co-ordination of all these worth-while activities into one comprehensive and effective program, and

the second is that adequate funds be made available by the federal government to implement such a program.

Once again I urge the minister to accept the principle of my resolution and by so doing mobilize all the resources of the federal and provincial governments, of interested organizations, of individuals and of the people of Canada in support of a nation-wide policy of conservation of all our renewable natural resources.

Mr. A. H. Hollingworth (York Centre): Mr. Speaker, first of all I should like to congratulate the mover of this motion on his interest in the matter and on his knowledge of the subject of conservation. Not only is he a credit to his party, he is a credit also to his province and to his country.

This is a subject of great importance but I think we should realize at the outset that primarily it is a topic which comes under provincial jurisdiction and I think all our remarks should be governed by that salient fact.

I am entering this debate this afternoon to discuss two things in particular, the Humber valley conservation authority and the national parks program. Hon. members undoubtedly are aware of the fact that the Humber valley conservation authority made application to the province of Ontario and through it to the government of Canada under the Canada Water Conservation Act for the creation of flood control measures the necessity for which was brought about largely by the after-effects of the disastrous "Hurricane Hazel". Hon. members will remember that representatives of the authority saw the minister on January 31, 1955, and it was requested of them that a further report be made. Before the economic conditions and engineering aspects of this project could be determined it was withdrawn by the province of Ontario and at the present time the matter is in a state of flux.

I understand that a bill is before the Ontario legislature to amend the conservation authorities act and which would dissolve the Humber valley conservation authority and form the metropolitan Toronto and region conservation authority. I understand further that all the assets of and the appointments made by the Humber valley conservation authority would be taken over by the new authority. I should like to say that once the authority is designated and if further application is made to the federal government I as one of the members for the Yorks—I think all other members for the Yorks will feel the same way—will certainly use all my efforts to see that this worthy project is consummated.

The advantages of having a Humber valley conservation program are many. First of all, dams would be erected to provide reservoirs which would hold 52 per cent of any major runoff which might result from a repetition of "Hurricane Hazel". This could come any time, and usually does come once in every 75 years on a major scale. Furthermore these dams would control the summer flow of the water of the Humber at that time of the year and would ease a very serious problem of pollution which is prevalent in the summer months when the level of the water is quite low.

Then again the dams would create lakes to form a recreational area. One will realize that with a population of almost two million the Toronto metropolitan area requires some form of recreational park system which would take care of the recreational needs of greater Toronto. Finally, such lakes as would be established by this project would supply the municipalities with necessary water, and some control would also help in the management of soil conservation.

I should like now to deal with the question of national parks. Section 4 of the National Parks Act sets out the general purposes of the act. This is called the dedication clause, and it reads:

> 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 maintained and made use of so as to leave them unimpaired for the enjoyment of future generations.

Last summer I had the privilege of visiting some of these national parks, and at this time I should like to speak particularly of the Banff national park, the Yoho national park and Jasper national park. I want to comment upon the splendid reception accorded me by the different park superintendents and their staffs. It was a real privilege to see with what enthusiasm these gentlemen treated their work. I think a tribute is owing to the minister and his officials for the way in which these parks are being run by such capable people.

There are certain fundamental prerequisites for a national park development. A national park must preserve unusual scenery or some natural wonder or historic feature of national importance. It must be of sufficient size to support adequately all forms of wild life native to the region. It should embrace only lands in their natural state for the most part and should not take in lands suitable for agricultural use. It should exclude mineralized or forested areas capable of commercial exploitation.

I appreciate the problems created by the number of visitors who are visiting the parks.

This creates a great danger of spoliation and a greater danger of fire. An editorial in yesterday's New York *Times* comments upon the increasing use of United States national parks, and they put this problem quite nicely when they say:

> The brutal fact is that the national parks of the United States are in dire danger of being loved to death, destroyed by the American people in their desire to see them, to travel through them, to camp out in them, to walk and ride over them. Present facilities are geared to handle about half the number of present visitors. If we are going to continue to have national parks that are worthwhile, and, equally important, that are to be adequately used by the people while being preserved and maintained for future generations, we have to embark on a large-scale protective and constructive program.

I have two observations to make. They are not meant as criticism, but I should like to call them to the attention of the minister. First, in my opinion there are not enough tourist facilities available. It seems to me that there are too few auto camps and hotels to look after the people who want to visit these parks.

My other complaint is that many people seem to be disappointed in the fishing. Perhaps I noted this particularly because I am extremely fond of fishing and I know that I was disappointed. One can realize the difficulties in this respect. After all, lakes that are accessible to highways are always fished out. I am told that the glacial silt which comes down from the mountains, particularly in the summer months, is not good for fishing and that the best time to fish is in the spring or the late summer. But I understand the department is taking steps to correct this situation. For example, I was interested to note that in some lakes, such as the third Vermilion lake, the waters are being treated with "rotenone" powder to kill the suckers and to provide the water for trout. I was interested also to learn that the warden of Yoho park had said that Emerald lake was afflicted with suckers and a great deal of expenditure would be necessary to clean it out, but such action is being contemplated also, I am told.

Another matter is that the fish hatcheries at Banff and Jasper are being increased. At Banff two substations are being provided, and, for the first time in many years, one quarter of a million young trout will be available to stock the lakes in Banff park. Similarly, at Jasper, one half a million young trout are available and being developed at the Jasper substation. Again, research is being continued by biologists of the Canadian wild-life service of the national parks branch. I think the minister and his officials are to be congratulated. I am informed that trout can still be caught in the more inaccessible lakes and, of course, any real fisherman will tramp miles or go by packhorse to reach those lakes. It also means, of course one must have the time.

Now I should like to speak about national parks in Ontario. Hon. members particularly from that province, will be aware of the three small national parks, namely, the Thousand Islands national park, the one at Georgian bay islands and the small national park at Point Pelee. I think these parks are admirable, but I think also they are inadequate. In travelling through the vast panorama of lakes, streams and forests of incomparable and rugged beauty that constitute northern Ontario, I have thought that would be an excellent place for a national park. I understand that the procedure for establishing a national park is as follows. National parks can be established by an act of parliament amending the existing parks act. In establishing new parks the policy has been for the federal government to request the province concerned to take the initiative by offering a clear title. If the lands are suitable and measure up to national park requirements, the offer of the provincial government is accepted and necessary legislation will be passed by both federal and provincial parliaments.

The federal government and the province of Ontario have a splendid record of co-operation in many fields. I would like to ask the Minister of Northern Affairs and National Resources if he will consider approaching the province of Ontario for a great new national park in northern Ontario.

Finally, I wish to say something on this question of overriding provincial jurisdiction in this field.

I must say regretfully and reluctantly that I cannot support this resolution. I cannot support it because I feel, as the minister said last year, this is something that primarily comes within the jurisdiction of the provinces. If a majority of the provinces requests such a conference, then I think we should certainly co-operate with them, but it is not something like a dominion-provincial conference where both governments have equal jurisdiction or co-ordinate jurisdiction, for example, in taxation both the federal government and the provincial governments have access to taxation because of the constitution, but surely this is something which comes within the province primarily. As I understand it, it is also on the agenda of the present conference which was and is being held between the provinces and the federal government.

But in the meantime, to be true to our responsibilities and to assist the hon. member for Kootenay West, who is doing such a magnificent job of bringing this up year after year, we should not only reconstitute or resuscitate—whichever word you want to use—the house standing committee on resources but also perhaps, as the hon. member for Kootenay West suggested last year, the government should again set up a commission on conservation for the necessary fact finding and research.

Mr. W. M. Howe (Wellington-Huron): I should like to commend the hon. member for Kootenay West for once again bringing this question to the attention of this house and of the people of Canada, by means of his resolution that the government should consider the advisability of calling a dominion-provincial conference on conservation, with the view to the establishment of a nation-wide policy on soil, forest and water conservation and land use for Canada.

As the hon. member for York Centre was speaking, I was thinking of his own resolution not so long ago on education. In the discussion on that, the bugbear of dominion-provincial relations was brought up, and indications were that this was trampling on the field of the provinces. In the case of education and scholarships, the fact that none were given at certain levels meant that Canada was the loser, because it lost thus many of the brains that it needed. But in the case of conservation we have a problem in which we have a second chance. In the main we are dealing with renewable resources, built up by mother nature in this country over many years—trees, soil, rivers and so forth. Man has been destroying many of the things that mother nature took so long to build. But, as I say, we have a second chance, by carrying out a scheme such as is proposed in this resolution.

One of the particular reasons why I am interested in this question of conservation is that in my own riding of Wellington-Huron, as an editorial in the *Fergus News Record* indicates, in the spring of 1957 will be completed one of the greatest conservation schemes that has been developed in this whole dominion. That is the Grand river conservation scheme. That scheme is part of history. As far back as 1905 an engineer named William Breithaupt in the city then named Berlin took time to walk up and down the banks of the Grand river. Even in those days when there were not so many people living there, he found a picture of erosion. Trees, trunks and soil were taken away and the banks scoured to the rock on that river, because of the fact that there was a rushing current during the spring and summer months. Later on, he found the stream shrunk to a very small rivulet which was polluted with sewage and so forth from all the cities that were established along that river. He decided to see if he could interest people in building some type of conservation scheme on this river. The original plan was for five dams. In 1939 the first dam was built above the town of Fergus—this was called the Shand dam, not too far from the village of Belwood. A few years later another dam was built at the headwaters of the river and was called the Luther dam. When the final dam is built on the Conestogo a conservation scheme will have been developed that will prevent terrific flooding in the spring with the crushing weight of water and ice that does so much damage and it will also establish and maintain a flow of water throughout the entire season.

At this time I should like to pay tribute to those spirited citizens in that district who, with very little monetary return to themselves, have carried through this project to a successful conclusion, who have not stopped working and who are turning their time and energies to building up once again the banks of that river as they were many years ago before all the trees and shrubs were taken away. They are making it once again a thing of beauty. They are developing parks, building beaches around the lakes and, what is probably more important than ever, they are establishing tree farms up and down the Grand river valley.

I bring this matter to the attention of the house because, as I say, it is a pattern that might be followed in other parts of Canada. I maintain that if it had been followed along the Humber river valley the terrible catastrophe that followed "Hurricane Hazel" would not have been possible. Along many other rivers that night there were thousands of dollars' worth of damage. The flooding along the Nottawasaga river in southwestern Ontario that night resulted in over $500,000 damage done to bridges and culverts. With this pattern of damage and destruction, would it not be better to spend money on preventive measures so that the raising of disaster funds would not be necessary and municipalities and governments at all levels would not be called upon to assist in reinstating people, reconstructing buildings and moving them to other localities?

As I say, great tribute is due these people who have done so much to carry out this wonderful work. I might say also that their work has been of an economic nature, particularly in southern Ontario, something we did not expect. I have here an article from

the January issue of *Bush News* entitled, "Security for Future Seen in Tree Farms." The article reads in part as follows:

> Ontario now has 17 tree farms as a result of the certification of 11 woodlots in the Grand valley district of southern Ontario December 28. The woodlots, totalling 423 acres, were officially certified as tree farms at a ceremony in Galt, sponsored by the Huron district tree farm committee and the Grand valley conservation authority.
>
> During the ceremony, James A. Vance, P.Eng., of Woodstock, chairman of the Canadian forestry association of Ontario and guest speaker, announced there now was a direct market in southern Ontario for pulpwood from the tree farms. He said the Ontario Paper Company which operates its giant mill at Thorold is planning to purchase 10,000 cords of pulpwood in the southern Ontario area next year. . . . He added that Canada's history was largely determined by trees. There were more than 4,000 uses for wood in daily life today. It goes into lumber, pulp, rayon, cellulose and plastic. The tonnage of wood used in world war II was greater than the tonnage of steel.

As the hon. member for Kootenay West (Mr. Herridge) indicated, there are very many organizations which are taking an interest in this question, and in that regard I should like to refer to the policy declarations and resolutions of the Canadian Chamber of Commerce for 1953-54 and 1955-56. Under the heading "Water and Energy Resources" they have this to say in their 1955-56 policy declarations and resolutions:

> The chamber urges the development of a program for the establishment of a national policy for the control, conservation and development of water resources for multiple purposes on which all interests can unite and on which a maximum of local and provincial autonomy is assured.

It is also rather interesting to note that some of our younger people are interested in this question. In the *Globe and Mail* of March 8, 1955, there is an article containing the following:

> Katharine Merry, 17, of Milton, a member of the Halton 4-H beef calf club and 1954 winner of the Queen's guineas at the Royal Agricultural Winter Fair, said one-fifth of the original crop land of Canada has already been destroyed by improper agricultural methods and that more is being destroyed every day.

As this would indicate, Mr. Speaker, the question of conservation is bigger than just the holding back of the waters in our river valleys. We must consider the reasons that are contributing to the excessive flooding. We are all familiar enough with the history of this country to realize that when our forefathers came here it was pretty well all covered with forests but that in order to provide for food and crops for their way of life it was necessary for them to cut down the forests indiscriminately. This practice went on to a great extent. It was followed in our country in the same way as it has been all over the world with no thought being taken for tomorrow. As an ancient Chinese philosopher once said: "If a man take no thought for what is distant he will find sorrow near at hand."

The history of the world indicates that soil erosion is part and parcel of the history of mankind. Great empires have risen only to fall because of the loss of their topsoil. The great Sahara desert, over which Rommel made his advances and retreats during the last great war, was at one time the granary of the Roman empire. Irrigation works were damaged by war. Vegetation disappeared, blowing sand and subsoil covered whole cities and the work of seven centuries was lost in less than 100 years.

We find the same pattern in Mesopotamia, Italy and China. However, we do not have to go back that far in history. In many cases our own handling of this particular matter has proved that we too are guilty of forgetting the fundamentals necessary for the protection of that very valuable asset, our topsoil. There are many districts in southern Ontario which at one time supported whole communities and which are now pictures of dilapidated and broken down buildings and eroded soil. The people have been forced to move because through improper methods of land use the land would no longer provide a livelihood for them and their families.

In the United States we have the tragedy of the dust bowl that occurred in the states of Kansas, Texas and southern Oklahoma where, in a period of excessive drought and in a region with the striking paradox of productivity and erosion, the topsoil that was left exposed began to drift and blow. In fact, on one occasion the sky over New York city was darkened by the dust from that dust bowl in those southwestern states of the United States. We sometimes say that that happened back in 1934. I do not know how many members read the *Globe and Mail* this morning, but in it there is a picture with the heading at the top, "Red Dust from Texas Blows into Windsor Area." It can happen again. Periodically we read that there is still danger of the same thing happening in our own western provinces as happened back in the thirties with the blowing of the soil.

In China we find an example of the two extremes. In northern China there is the Gobi desert, a vast barren land where nothing can grow. In central China there is the Chengtu plain where for 1,500 years intensive agriculture has been practised by following proper conservation, irrigation and soil protection methods. We too must realize the importance of a national policy of conservation of our renewable resources, a national policy which gives us a comprehensive picture right across the whole country.

We might take a leaf from the book of some of the countries that have joined the Colombo plan organization. Last summer there was completed by Pakistan—one of the countries that we consider to be a have not country—an aerial survey of their whole country. From this survey, together with the work of a ground crew, there has been worked out a comprehensive plan, just as we have mentioned here in our resolution, so that in the reclamation and the setting up of their country, in using these funds for technical assistance, they will not go at it in a haphazard way but will have a co-ordinated plan that will be followed right through in their entire country. I understand that Ceylon is doing the same thing.

I can see no reason why we in Canada could not have an aerial survey of that type. The other day I noticed a description of a new type of machine for reading the three-dimensional camera which would give us a better picture and a better perspective of the means necessary to prevent the type of thing about which I am speaking. As was stated by the hon. member for Kootenay West (Mr. Herridge), many people are trying to bring this matter to the attention of this country of ours. In the London *Free Press* of recent date there appeared an item which was headed "Too much population; Professor broods on war from hunger" and which reads in part as follows:

> A gloomy forecast of a hungry, overpopulated world, with nations possibly waging war to safeguard their food supplies, was placed before a section of the Royal Society of Canada . . .
>
> The forecast was made by Professor D. A. MacGibbon of the department of political economy, McMaster University, in a paper on the threat of overpopulation.

The professor concludes his remarks with these words:

> He felt that the greatest possibility of delaying an actual global crisis in food supplies for some decades at least, lay in scientific progress and in the resolute employment of methods of conservation.

Speaking about things that are being done to decrease the number of acres of land we have, may I say that the practice that is being followed in some parts of southern Ontario is, in my opinion, wrong. I refer to the taking over by great industries of that wonderfully productive fruit and vegetable land in southern Ontario, something which man can never replace, something which it has taken years and years to build up and develop. Industry can grow and develop on land that would not be as suitable for the growing of fruit and vegetables. I think that practice is wrong and one that should be changed. General Smuts once said that erosion is the biggest question before the country, bigger than any politics. As I said, time is of the essence. Old mother nature does not stand still but she gives us a second chance to renew these resources which we have depleted. I feel that there should be a definite policy of conservation on a national level to promote systems of farm practice, tree culture, water supply and land settlement that will promote greater economic security for our dominion.

Mr. S. R. Balcom (Halifax): Mr. Speaker, I think we should be happy today that the hon. member for Kootenay West (Mr. Herridge) has again brought this important resolution before the house. I can appreciate his doing so for I understand that he lives in an area surrounded by thousands of lakes and streams and hundreds of acres of beautiful forest, all of which he owns.

Mr. Herridge: Excuse me, Mr. Speaker. I rise on a question of privilege. May I say that I do not own all that. I live in a very small area within all that.

Mr. Balcom: It does not look like it by the pictures, Mr. Speaker.

In Nova Scotia where forest, lake and stream blend to make a great paradise, the people are extremely conscious of this important matter of conservation. Nova Scotia is a small province, composed of merely 21,000 square miles jutting out into the Atlantic ocean, practically surrounded by water, and it loses by erosion many acres of fertile soil to the Atlantic ocean, the Northumberland strait and the bay of Fundy.

I am sorry that the hon. member for Kootenay West could not have broadened this resolution to include the youth of this country from Newfoundland to Yukon. That is one resource in which we are experiencing a great drain. Particularly is that so in Nova Scotia. We train our young to graduate—to mention only two professions—in engineering and medicine. Then we lose most of them.

Mr. Murphy (Lambton West): To the United States.

Mr. Balcom: To the United States, but mostly to central Canada. This drain has been going on for many years.

Mr. Murphy (Lambton West): He is wrong.

Mr. Balcom: I hear the hon. member say that I am wrong. I should like to point out to him and to other members of the house that all one needs to do is to look at our universities where we have our presidents, the important doctors across this country, the engineers, the president of the national research council, and at many places like that where you will see our university graduates.

Mr. Murphy (Lambton West): Look at the emigration figures. Look at the emigration that is going to the United States.

Mr. Balcom: We have a small number going to the United States. Unfortunately we are not filling up this loss in Nova Scotia through immigration. When talking about conservation I think we should give the authorities, both federal and provincial, credit for the work they have already done. Over the years many millions of dollars have been spent all across this country. In some provinces the amount has naturally been greater than in others. But Nova Scotia has done reasonably well with respect to money spent on conservation. In 1952 some $715,000 were spent in six counties of Nova Scotia. Of that $715,000, $90,000 was spent in Annapolis and Kings counties. Again in 1953-54 $166,000 were spent, and $90,000 again were spent in 1954-55.

Mr. Nowlan: They have a good member.

Mr. Balcom: That pleases the hon. member for Digby-Annapolis-Kings (Mr. Nowlan). This land in Annapolis, Kings and Digby counties is the most important part of the province. It has been cultivated from away back in 1604 by the Acadians, and it was intensely cultivated by them from 1604 to 1755 at the time of the expulsion. There were periods when this land in the valley—this land that was reclaimed by the building of dikes and dams—was worth perhaps $200 an acre and at times it produced 50 bushels to 75 bushels of grain per acre and 2½ tons to 3 tons of hay per acre.

Mr. Murphy (Lambton West): What kind of grain?

Mr. Balcom: Probably not as good as that out west but it was so good that those Acadians sold it to the French in order to feed their army, and they had quite a business with Newfoundland over the years not only in grain but in beef.

Mr. Murphy (Lambton West): I was wondering if it was oats or wheat because one has a much higher yield than the other.

Mr. Balcom: At the time the yield there was 50 to 75 bushels per acre. This may not compare so favourably with the highly cultivated land out west.

Now, in 1948 when the land saving program was undertaken as a co-operative measure between the federal and provincial governments the federal minister of agriculture said that since coming to Ottawa he was convinced one of the most important works to be done in Canada was the rehabilitation of the marshlands of the maritimes. He not only said that but he put his words into action. Since that time some $6 million has been spent out of the $9 million allocated. More than half of the 90,000 acres of land included in the project have been either reclaimed or given some protection. Many of the dikes have been either built or rebuilt. There is one piece of land in the Annapolis valley that has been partially reclaimed. I would strongly urge that at this spot, the Granvilles, a dam be built which would save thousands upon thousands of acres of rich, fertile land. Part of this land is already diked, and has been diked since 1604, but these dikes have broken and the land has been ruined. If a dam were constructed at this spot it would obviate the necessity of keeping up the dikes or building more dikes. This project would compare favourably with the reclamation work in connection with the Shepody river dam, where some $2 million were spent to reclaim 5,000 acres. In this case many more thousands would be involved. In addition it would save thousands of acres which have been cultivated since the early Acadians. As a matter of fact, it is the oldest European settlement north of Mexico.

I should like to draw attention to the Musquodoboit valley. Much land was ruined, as well as forests, in the floods this year. We think the time has arrived when perhaps something should be done to save this beautiful part of the country. The Musquodoboit river runs for probably 20 miles into the country and empties into Musquodoboit harbour. We would suggest that there should be some plan for fresh water control here; that community pastures be organized; that bogs and swamps along the river be dredged; that there be the construction of farm ponds for irrigation and fire protection. We require better supervision of wood lots to give the small man an opportunity of supplementing his income, especially if he is a fisherman or a small farmer.

In Nova Scotia destruction from insects and aphids has been high, but probably not as bad as in our neighbouring province of New Brunswick. However, there should be a campaign to kill these things because one aphid will multiply and produce many millions. Over the years New Brunswick has done considerable spraying and I believe the results have been very good.

This is a big job. Probably our resources are not as great as some other provinces but they are needed all the more. I would suggest, therefore, that to stop the ghastly waste of our assets we have an intensive campaign to study our forest policy, silviculture, forest

management, forest protection and forest utilization. Perhaps those aspects cover the field and we would ask that consideration be given to this.

Mr. A. B. Patterson (Fraser Valley): The resolution we have before us at the moment has two important aspects. I believe one stresses the importance and necessity of the establishment of a nation-wide policy and the other suggestion is that, in order to implement that, there be a dominion-provincial conference called to discuss these matters. I am sure we are all aware of the importance of the principle that underlies this resolution. Our natural resources are those resources related to the soil, forest and water. They are of such importance that every effort should be made, and must be made, to conserve them. The task is of such tremendous importance and of such magnitude that co-operation between federal and provincial authorities is absolutely essential.

So far as British Columbia is concerned, I believe this principle is clearly understood and supported. I should like to refer to a brief submitted to the dominion government by British Columbia on December 14, 1953. The introductory paragraph to this brief is as follows:

> The government of British Columbia in this brief proposes federal-provincial co-operation in the further economic development of the province and in the conservation of its natural resources. It submits that financial participation by the government of Canada in projects which will serve these purposes is warranted both by the national interest and by special considerations affecting British Columbia. It further submits that it is warranted by federal financial participation in projects in other parts of Canada.

In that introductory paragraph the idea of federal-provincial participation in these matters is set forth very clearly. As I have said, I believe it is of such importance that both the governments should co-operate in these particular matters.

In the province of British Columbia we have various resources. Of course, we have a varied economy and our resources cover pretty well everything that you can think of. Some of these have been mentioned in previous debates in this house. Just a few days ago we had a considerable debate on the hydroelectric potential of Canada, and in that debate the potential of British Columbia was mentioned.

The resolution before us emphasizes especially the establishment of a nation-wide policy of soil, forest and water conservation and land use for Canada. When we think of British Columbia we think first of all of the tremendous natural resources as evidenced in our various programs and in our forest resources. I am not going to take time this afternoon to refer in any detail to that particular aspect of the resolution; but certainly this matter is of vital importance to British Columbia, because it forms a considerable part of the income and also of the industrial capacity of our province. This afternoon I want to speak especially on soil conservation.

Because of the topography of British Columbia a very small percentage of our land is under cultivation, and a very small portion of our land is arable. Because of that fact the conservation of the areas that we have is of fundamental importance. In the brief which I have already referred to we find the following on page 2:

> The province has an estimated area of 366,255 square miles, of which more than 240,000 square miles have been classified as alpine and barren.

Therefore we see that the arable land we have must be put to the best possible use and must be conserved in every possible way.

In other sessions I have referred to the main problem that confronts us in the Fraser valley, namely, the continual loss of some of our best land through river erosion. This continues to take a terrific toll in my particular area. I could mention various points this afternoon where it is posing very serious problems; but I might say that from Hope right down to the lower end of my riding the residents are faced with this particular situation. In view of the seriousness of the problem I feel that this particular resolution has a direct bearing upon the matter.

I mentioned Hope. I could also mention Agassiz. I have referred to this particular area on a number of occasions in the past and I have spoken of the hundreds of acres of the very finest agricultural land that are being lost through river bank erosion. A considerable amount of work is being done to try and protect the property of residents in that section. We do appreciate the contributions that have been made by the federal government in this regard. Throughout the years the government has seen fit to make contributions which have enabled the people of that area and the municipal authorities to carry out work that has been of real importance and has contributed much to the solution of the problem there.

I was also very pleased to read in the Agassiz-Harrison *Advance* that this year again the federal government has seen fit to make a substantial contribution to this end; but from Hope right down through Agassiz, Matsqui, Mission, Silverdale, Albion and right down to Pitt Meadows, the same problem obtains and is creating serious difficulties for the agricultural section along the river.

I might say that at Mission there is one mill near the river in that village, and the owner of the mill spoke to me just last fall and told me of plans for expansion that he had been entertaining. In fact I believe the project had already been commenced but, because of the process of erosion, and the continual loss of land through erosion, he said he had decided to call off his plans for expansion, and his mill was in danger of being closed, with the consequent unemployment and loss of revenue to the community, through this unsatisfactory situation. I stood with some of the farmers of the Silverdale area and watched as great proportions of the land caved in and just disappeared while we were standing there watching. At Albion, houses will have to be moved. Developments of various kinds are in a serious position; valuable agricultural land is being lost. Then we come down to the community of Pitt Meadows. I was told just last fall that in the past years an area of land of about 2,000 feet long and 100 feet wide had been swallowed up by the waters of the Fraser river. Therefore, it appears that in areas such as that, which is facing this serious problem, it would be well if the federal and provincial authorities could get together, could call a conference and deal with this matter and try to arrive at some satisfactory over-all policy so that this loss of agricultural land could be halted and the people could live with a sense of security, knowing that their property is being protected.

I was talking to some of the authorities of the diking commission. They are of the opinion that there is only one satisfactory long-term solution to this problem, namely, channelling of the river so that these conditions will be rectified. The task is so great that it is beyond the power of the municipal authorities in these various municipalities. It is so great that it is beyond the capacity of the province to handle. In the interest of the people the co-operation of every level of government is called for to take care of this situation.

As we know, the Fraser river is a navigable stream. I believe that as time goes on it will play a great part in the industrialization of that entire section. We have already heard of its tremendous fishery resources. We have heard something of the hydroelectric potential on the river if the problem of the fisheries could be overcome. It is also going to contribute in a large way to the various industries that will be established along that section of our country. Therefore I would suggest, Mr. Speaker, that in the interest of such sections as I have mentioned this resolution calls attention to a very important and widespread need, namely, a nation-wide policy with regard to these matters.

There is in my riding another problem which has been called to the attention of the house on other occasions. However, I think it fits into the picture created by this resolution. I refer to the Vedder river problem. We had high hopes in the Fraser valley that the water conservation and control act which was passed several years ago was going to solve this particular problem. In fact my predecessor had every hope and expectation that this particular project would come under that act. However, we have been advised by the Minister of Northern Affairs and National Resources (Mr. Lesage) that it does not come under this particular measure. Although it does not come under the operations of that measure a problem is still created and we feel that it could fit in and should be bound up with this whole problem of conservation of our soil and land use in Canada.

The problem which confronts the residents of that particular area is that the Vedder river is gradually filling up and its waters are spreading. Instead of following a defined channel they are just meandering along and it is felt that the time will come, possibly in the near future, when instead of being confined in any way this river will overflow its banks and flood a great section of the agricultural area of the Fraser valley.

I might say that we already have our problems there with practically a 100 per cent freeze of our strawberry crop. This is creating a tremendous problem for our people and certainly we would hate to think that in the near future they will be faced with another one by the overflowing of the Vedder river and the inundation of vast areas of our land.

I have called this matter to the attention of the federal authorities but it seems that they cannot find any way to fit this into federal policies and bring it under any legislation covering resources and so on. Nevertheless it constitutes a real threat to that section of the country. One objection was that no federal property was involved and therefore it did not seem to come under the jurisdiction and responsibility of the federal authorities. I might mention that camp Chilliwack is in the area, and also the Tzeachten Indian reservation and the Coqualeetza Indian hospital.

These are all federal government installations, and the picture in connection therewith is changing. I was speaking to some people in that area on New Year's day and they said that although in the past it was felt

that there would be no danger to federal installations in that area, the picture has changed and today there is a possibility in the event of flooding that some of these properties would suffer. Therefore I call the attention of the ministers under whose departments this matter might come to this state of affairs and suggest that they take another look at this particular situation.

At the close of last session I was sorry to receive a letter from the Minister of Northern Affairs and National Resources stating that they could not see their way clear to being able to enter this picture and give assistance in connection with this particular problem. It may not be considered economically desirable or feasible, but yet I submit that it is not desirable to have hundreds of acres of our farming land flooded with the consequent destruction of private installations and development in that section.

Apparently at one time this watershed to which I have referred was under federal control and as such royalties and stumpage fees were paid to the federal authorities. Apparently this situation existed up until 1930 and the records would seem to indicate that at least $400,000 was collected by the federal government in stumpage fees and royalties on timber removed from this area. That did not take into account the amounts that would be paid in the form of personal and corporation income taxes and so on. Therefore I submit that the federal authorities have some responsibility in the matter because one of the contributing causes is the logging operations which were carried on in that section and from which the federal government received its share.

Without doubt the conservation of our soil, water and forest resources is a matter of urgent importance. It has been pointed out by the mover of the resolution and by other speakers in this and other debates that there is not too much time to lose, that the matter is urgent and therefore that we should support the resolution before the house. I should like to read the last paragraph in a letter which I received from the Hon. W. K. Kiernan, minister of agriculture of the province of British Columbia, dated January 20, 1955, as follows:

> While I was at the dominion-provincial agricultural conference in Ottawa in early December I again raised the point of no unified conservation policy by which the federal and provincial governments could co-operate in the conservation of our soil and other resources. It is time that we had in this country a conservation policy that was applicable to all areas of the country on an equitable basis with participation of the three levels of government. Anything that you may do to further this line of thought would be greatly appreciated.

That would indicate that the provincial authorities of British Columbia are behind such a resolution and that they would favour this resolution now before the house. I have pleasure this afternoon in commending the hon. member for introducing this resolution and indicating our support therefor.

Mr. A. J. Brooks (Royal): Mr. Speaker, I wish to say a few words in connection with this resolution. I listened with deep interest while the junior hon. member for Halifax (Mr. Balcom) was speaking. I was particularly interested in what he said regarding the marshlands. We in New Brunswick perhaps are not as vitally interested as are the people of Nova Scotia but we have had some benefit from the marshlands act. As the hon. member was speaking I was reminded of the debates we have had in this house at different times on the marshlands and I recalled of course the many times that my good friend, the former member for Cumberland, Mr. Black, spoke on this matter. As a matter of fact he has been called by some the father of the marshlands act of the maritimes.

This act was passed as a sort of balance to the Prairie Farm Rehabilitation Act. The maritime provinces like the other provinces of Canada were contributing extensively to P.F.R.A., and the marshlands act was a sort of return, and a most acceptable one in our section of the country.

I wish to say that I support this resolution wholeheartedly. This is the fifth time the hon. member for Kootenay West has moved this resolution in the house, and I have spoken on it several times. I have always been greatly in sympathy with the motion and with its context. I do not think there is any subject in Canada that should receive more support or more interest from the people than this particular subject of conservation. Of course, volumes have been written on this subject; it has been dealt with in books and pamphlets time and time again.

In 1948 and in 1949 the Canada Forestry Act was passed and this act went a long way towards assistance in conservation in this country. It was hailed by the people and the press across this country as a great stepping stone in the matter of conservation. I remember the debate at that time and I remember the interest that was taken in the press. But after six or seven years I realized that, whilst this act was designed to meet the conservation needs to a certain extent, still it has not gone nearly as far as we should hope. The whole question of the use of our forests, the land use and water supply is one upon which the whole economy of Canada rests and, as has been so well pointed out by some of the speakers this afternoon,

if by carelessness we destroy these great assets of ours, we destroy ourselves as a country and we place our country in a very poor condition.

As the hon. member who moved the resolution has very well said, time is of the essence as far as conservation is concerned. We have time on our hands in Canada, and by that I mean that, whilst older countries have dissipated their great assets, we in Canada have not dissipated them all or to the extent they have in older countries and we still have time to save these great assets of the forests, of the land, of our wildlife and streams, if we at the present time recognize the great responsibility we have not only to ourselves but to future generations. After all, the country does not belong to the generation that is living at the time, but it belongs to the future. It is the duty of every succeeding generation to conserve for the future that of which they themselves have an abundance.

No country in the world is blessed with natural resources such as we have in this country. Speaking for my own province, we have been greatly blessed with natural resources. I was very much interested in the discussion of our forests. Our forest assets of New Brunswick are our greatest assets. As a matter of fact, we might say that the three f's—the forests, the farms and the fisheries—are the greatest assets in the maritime provinces. We have hoped to have other industries, as the hon. member for Halifax has stated, that would keep the young men living from leaving our provinces. Such industries have not come to us as yet, but we still have hopes for the development of our mining industry and for the possibility of development of other industries through the use of our abundant water supply for the development of electric power, and we may be able to keep in our own part of Canada that great asset mentioned by the hon. member for Halifax.

The importance of the pulp and paper industry to New Brunswick and to Canada at large has already been mentioned. It is the largest industry that we have in Canada. I was reading the other day a report of the pulp and paper industry which said it was first in employment of labour in this country, it was first as far as total wages are concerned, it was first as far as the export value of its products is concerned, and first as far as the total values of production and of capital investment are concerned. So the forest products industry is the first industry in Canada and is an industry which should receive at least the same attention as any other industry.

I think the argument can be very well made that because forest products are our greatest industry and because the dominion government does receive very large revenue from the forest industry, then the dominion government is vitally interested in the preservation of our forests, whether they belong to the province or the dominion. It is greatly interested and must bear its full share in the preservation of this asset. In 1946, when the forestry act was passed, the dominion was contributing in the neighbourhood of $2½ million. I remember a speech at that time in which it was stated that this was only a drop in the bucket and it was estimated that before 1955 and 1956 the total amount of money spent for the conservation of the forests in this country should be in the vicinity of at least $100 million. Of course, this would not include the amount which would be spent by the provincial governments and also by the industry itself, which up to that time, 1946, had contributed practically three quarters of the money spent on forest conservation.

I shall not take up the time of the house this afternoon in discussing the different enemies of our forests. They have been mentioned before. Fire, of course, is one of the worst. I recall that in the debate in 1949 our leader, speaking about fire protection, suggested that the federal government should take a far greater interest in the protection of our forests and he suggested that airplanes should be used to a greater extent and that they should be used with far greater effect in carrying not only material for putting out fires but also men who could be moved from one place to another to put out our forest fires. I do not think enough of this has been done in the last six or seven years. I know that in my province we have not been using the airplane much for firefighting, nor do I think it has been done in other parts of Canada.

He also spoke about waste. There has been a great deal done in recent years to eliminate the waste of much of our forest materials. Sawdust is now being used for fuel in British Columbia, I believe. It is also being used for other purposes in other provinces. But I still see great mountains of sawdust in my own province which I think could be utilized, thus doing away with a great waste. Different parts of trees are also not used, and they become a great fire hazard in the woods.

I also remember that in the former debate Mr. Gibson, then the member for Comox-Alberni and a man with great experience in lumbering, spoke about reforestation. He mentioned the fact that there are many areas from which practically every tree has been

stripped. No trees were left to bring about the natural reforestation of the areas. At that time he said there should be a section in the Criminal Code making it a crime for any man to strip a forest area and leave no trees for seeding purposes.

This is a very important matter, and it comes back to the recommendation of the hon. member for Kootenay West, namely that more is required by way of education. It is a matter of education. I know of farmers in my own province who had good areas of trees but who have stripped every tree off these areas, not realizing that they were leaving nothing for seeding. Spruce and other trees will not grow again in those areas. If boys were taught more in school about our forest assets and the necessity for reforestation I think it would be a great help in assisting to bring about conservation.

There was also mention of pests. The hon. member for Halifax (Mr. Balcom) mentioned the terrible destruction that occurred in the province of New Brunswick, and how a real catastrophe was averted. In 1949 it was discovered that there was an infestation of the budworn pest in the northern part of our province. Immediately the large lumber companies and the government of New Brunswick became alert to the necessity of doing something. I am sure all members here know of the splendid fight that was waged to save the great forest area in the northern part of our province. Hundreds of square miles of forest would have been destroyed if it had not been for the effort that was made.

In travelling through the area myself I saw where six airfields had been constructed right in the virgin forest. Airmen were brought in not only from all parts of Canada but from the United States and Europe, and many thousands of barrels of D.D.T. were sprayed on the forests. Through these efforts the forests of northern New Brunswick were saved and probably the economy of our province as well. I suppose this was one of the greatest conservation efforts ever undertaken in our country. The federal government deserve credit for the assistance they gave. The provincial government deserves credit, and the large lumbering and pulp and paper interests in that part of the country also deserve credit. They worked together and were successful in their efforts.

With respect to education, Mr. Speaker, I am of the opinion that there are not enough specialists in this country to look after forest conservation. I think we should have more trained foresters, more men trained to do the work of conservation. In the Canada Forestry Act "forest experiment" is defined as meaning the study of silviculture, forest pathology, forest entomology, forest fire protection and many other technical branches. I am sure there is no question in anyone's mind that where these technical subjects are concerned we must have trained men who are able to look after these matters.

In this morning's *Gazette* I was quite interested to read a Canadian press dispatch from British Columbia headed "More Forestry Students Said Pressing Need". The article points out that while there are 6,300 students at the University of British Columbia only 125 are registered in the faculty of forestry. The article then refers to Dr. Allen, dean of the faculty of forestry of the University of British Columbia, and has this to say:

> Dr. Allen said it is conservatively estimated that in 20 years British Columbia will need 2,750 graduate foresters, 2,200 more than there are today.

If that number will be needed in British Columbia alone we get some idea of the great need throughout the whole of Canada for men technically trained in forestry. In our own province of New Brunswick we have had a school of forestry at the University of New Brunswick for over 50 years. Our graduates have gone not only to all the provinces of Canada but to the United States and, in fact, all over the world. Today we are receiving students from every province in Canada, the United States, Australia, Europe, and especially from Great Britain. They are coming to the university to take the forestry course there.

We often hear it said in the house that scholarships should be given at different universities. I do not think there is a greater need for scholarships in any branch of study today, and I would recommend to the consideration of the federal government the provision of forestry scholarships in our different universities. There are three universities which teach forestry, British Columbia, Toronto and New Brunswick. I cannot think of anything that would be better for the conservation of our forests than to have more of these men to assist in that work.

It is not my intention to take any more time this afternoon. I should like to speak about the effect that the lack of conservation of our forests has had on some of our fisheries, but I will have an opportunity to do so later on. I would simply say that the fact that the forests have been cut down along the banks of many of our streams in New Brunswick, the maritime provinces generally, Gaspe and even in Newfoundland has meant that streams, up which the Atlantic salmon go to spawn, are more or less drying up with a resulting decrease in the catch of salmon.

Only last year the catch decreased by over 50 per cent. Men who have studied the problem contend that one of the reasons is the fact that these streams are drying up and that the spawning grounds of the salmon have been taken away from them. These are all matters which deserve careful consideration. I agree entirely with those who have this afternoon contended that this is a matter in which the dominion government is vitally interested. I am strongly in favour of the resolution.

(*Translation*):

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I have been listening with a great deal of interest to the comments made by the hon. member for Kootenay West (Mr. Herridge) upon introducing his resolution. We are certainly grateful to him for providing us with an opportunity to discuss a problem of such significance.

As the hon. member pointed out, this motion is twofold. It involves, first of all, the establishment of a nation-wide conservation policy, and ensures its implementation through a federal-provincial conference. We all realize how important it is for us to make wise use of those natural resources which are the very foundation of our national economy.

Agriculture is based on use of the land, and our industries utilize electric power which could hardly exist without this use of the land. The Canadian government has long understood the importance of this problem and, in this connection, has implemented various steps in those territories over which it has direct jurisdiction.

Besides, the federal government has had legislation passed to favour all conservation projects that provinces could put into effect, such as, for instance, the Canada Forestry Act, the International River Improvements Act, the Prairie Farm Rehabilitation Act, all of which, to mention only those few, were adopted at the request of government departments to promote conservation of our natural resources.

Moreover, throughout the country, various agencies not connected with our governments, either federal or provincial, also carry out surveys and publicity projects to promote and help soil conservation.

I could not let this opportunity pass without mentioning the enormous and very important part played in this field in the province of Quebec by the Quebec Forestry Association and our numerous 4-H clubs.

We all realize, as members who spoke before me indicated, the importance of the conservation of our soil, of our water resources, in brief, of all our natural resources.

The motion that has been submitted to us, Mr. Speaker, would entrust this responsibility to the central authority, calling as it does for a national conservation policy. Any legislation that might come out of this motion, if it is passed, would make the central authority the primary warden of our natural resources, with ten foremen in charge of the administration of those resources under the jurisdiction of the federal government. After all, in order to be efficient, the principle of a nation-wide policy implies a central power or administration, and at the same time implies some measure of control.

The motion submitted by the hon. member is perhaps not comprehensive to that extent and has no other purpose than to interest the provinces in the establishment of a national program of conservation under which they might benefit from subsidies while remaining free to act as they would wish. In either case, I can see reasons of a constitutional, social and economic nature, which would prompt me to vote against the resolution.

Everybody here knows that, under the constitution, or rather under the British North America Act, sections 109 and 92—or more precisely under subsection 5 of section 92, not only do provinces have exclusive jurisdiction over the administration of our natural resources, but they are exclusive owners of these resources.

Federal government participation, as recommended in the motion of the hon. member, is a direct encroachment upon provincial autonomy, in a field which we have always regarded as a strictly provincial prerogative. Jurisdiction over these matters is restricted to provincial authorities, and I submit that under present conditions it is of paramount importance for the federal parliament to reject any attempt at infiltration into this sector of Canadian economy.

Canada's present expansion, and the technical advances of modern science, coupled with an influx of capital investment warranted and encouraged by the prospects of the country, have largely contributed, over the past decades, to the development of our resources from the Atlantic to the Pacific.

The increasing pace of the development of those resources has meant huge revenues to some provinces, revenues so huge, we might say, that they rank among the main items in provincial finances. We all know that the last federal-provincial conference again emphasized the pressing need for provincial governments to find alternative sources of

revenue to meet the requirements arising from their various responsibilities.

It is therefore imperative that the provincial government retain its authority in the field of conservation and development of its resources, so that it may enjoy the necessary discretion to supervise the utilization of its soil, forests, water resources and lands.

Only thus will the provinces fully benefit from the revenues arising out of the proper development of natural resources in a country as prosperous as Canada. We have already seen that some provinces, which were hindered a few years ago in the discharge of their responsibilities by the lack of sufficient revenues, have greatly improved their financial position as a result of the development of their natural resources.

Nobody will deny the financial advantages which Alberta has derived from the development of her natural resources. I also believe that the improvement in the financial situation of British Columbia—whose per capita revenue is now greater than that of the province of Quebec, with a larger population and a larger territory—is the result of the development of her natural resources.

In short, a national conservation policy could seriously hinder the collection of revenues which provinces can derive from the development of their own natural resources.

In addition, a national policy in the field of conservation implies a measure of uniformity that would hardly be consistent with the differences in climate and topography existing from the Pacific to the Atlantic.

True, a national conservation policy could perhaps be profitable from the economic standpoint, but I maintain that we must take into account other factors besides the economy because quite often in various parts of the country the conservation of our soil, the development of our forests and water resources are definitely linked with certain political or social principles, which differ in the various provinces that make up this country.

The conservation of our resources must take into account certain regional characteristics. For instance, intensive colonization compels local authorities to promote forest development for reasons particular to the district where colonization is taking place. On the other hand, we know that specialized farming in certain districts requires proper irrigation. Besides, our forest industry must be protected by means which may differ according to the area concerned. Surely methods of pest control in the woodlots of the province of Quebec are unlike those which might be used to control tree pests in the forest lands of the west coast, because the trees themselves and atmospheric conditions are different.

In addition, the various provincial governments are in a better position to look after the development of our water resources.

It may be that a provincial government wishing to develop its resources more than another province will allow the production of water power to take place at the same time as some industrial developments in order to decentralize industry. Conservation and development of our natural resources may be either nationalized or left to private enterprise. Some provinces might also look for immediate revenues through the development of natural resources while others might be more interested in the stability and security resulting from a slow development of natural resources. Moreover, in the province of Quebec, a great part of our education is connected with the development of those same natural resources. In fact, the agricultural college of Ste. Anne de la Pocatiere and some faculties of the University of Montreal and the university of Quebec are closely connected with the utilization of our different natural resources in that province. I believe also that a national conservation policy could jeopardize the outcome of these various programs which, in my province, are closely linked with university education.

Of course this does not mean that the central government should not get more interested in the conservation of our soil, in the cultivation of our lands and in the maintenance and development of our power resources. Already the Department of Transport, by recommending the St. Lawrence seaway project to this parliament, has largely contributed to promote and further the development of resources in northern Quebec.

I wish to thank the Minister of Transport (Mr. Marler) for asking this parliament to vote the necessary subsidies for the construction of a railway in the lake St. John district, an improvement which no doubt will create an atmosphere definitely con-

ducive to the conservation and the development of the tremendous forest reserves of that district.

A moment ago, the hon. member for Royal (Mr. Brooks), indicated that sometimes airports can help in the control of forest fire, disease or anything detrimental to them. There again, we must congratulate the federal Department of Transport for understanding that need.

As far as we are concerned, in the Charlevoix district which I have the honour to represent here, we are glad to express gratitude to the minister for having facilitated the building of that airport.

No doubt, the construction of a railway linking Charlevoix to the north shore will be another step which will greatly contribute to the development of the natural resources of that part of the province of Quebec.

Thus, since the federal government, through its different departments, has, within its jurisdiction, the means to further the conservation and the development of our resources, I intend to propose an amendment to the motion laid before the house by the hon. member. I therefore move, seconded by the hon. member for Lake St. John (Mr. Gauthier):

That all the words after the word "advisability" be deleted and the following substituted therefor: "of taking, in co-operation with the provinces, the necessary steps to establish a national inventory of the natural resources of the country with a view to permitting the federal government to grant the maximum assistance within its jurisdiction to the various provinces on soil, forest, land and water conservation."

(Text):

Mr. H. A. Bryson (Humboldt-Melfort): I am very happy this afternoon to have the opportunity of saying a few words in support of the important resolution which once again has been moved by the hon. member for Kootenay West. It is obvious to all of us that this is a very important question, and one which has had the unanimous endorsement of all those hon. members who have spoken up to the present time. It is hard to deal with all of the phases which would normally go into a comprehensive conservation program. It is my intention to deal with only one or two aspects of what such a program should take into account. I should like to deal with the soil and water factors which are of such importance in our economy.

I believe that the conservation problem has not had all the attention that ordinarily it would have had, had we not been placed in such a favourable geographic position. But as our park areas become denuded of trees, were it not for weather conditions, the effects of freezing, which tend to make erosion less of a factor than it is in many other countries of the world, we would find ourselves in a much more difficult position. I believe we have deluded ourselves to some extent into believing that our agricultural and arable lands will go on indefinitely as a sort of fixed asset, and also that their productivity will continue unabated. Unless we introduce some comprehensive conservation program in this country we know from past experience in other places that that of course will not be so. We are told that the nation that neglects its soil will soon see that soil completely depleted, and of course with that ultimately the destruction of the nation itself. History records that the depletion of the soil has been a greater contributing factor to the downfall of a country than have been high taxation and other things of political consequence. Therefore it is important that we take into account the great need for an over-all comprehensive conservation program in Canada.

In western Canada we of course have had this question brought into focus because of our experience during the early and mid 1930's. During that time we had in that part of Canada what has commonly come to be known as the dust bowl area. It is one of the amazing phenomena of modern times, I believe, that this land has returned to its productivity. It is hard to understand after almost years of continuous soil erosion because of high winds. The land was abandoned, and the people never expected to go back again.

However, those of us who were there and saw what actually happened can appreciate the value of a conservation program similar to what was set up under the Prairie Farm Rehabilitation Act back in 1938. At that time we saw soil erosion at its worst. The wind blew holes in level ground the size of this chamber. School children were let out of school at noon week in and week out because of the intensity of the dust. They could not see. It was almost like night. This was disastrous to our economy. Think of the years and the lives that were wasted. People had to leave the land, go into other industries, move to different parts of the country to make a new start. These are some of the things we should try to avoid if at all possible.

In spite of those disastrous times I have mentioned we in this country still have a tendency to think of our natural resources as oil wells, mineral deposits, timber lands, and so forth. Yet oil wells have a very embarrassing habit of going dry. Mines end up as empty holes in the ground. The only renewable resource, the only really important resource, is our land. After all, if it is properly cared for it will go on producing indefinitely. As a matter of fact, under proper management I think it can safely be said that its productivity increases.

This is no local problem it is a national problem. Because it has been tackled more or less on a local basis throughout different parts of the country we have a tendency to think that it is a local problem rather than a national problem. Under the British North America Act certain jurisdiction in this regard is given to the provinces. Experimental and scientific research comes under the jurisdiction of the federal government. In times of national disaster, in times such as I pointed out happened in western Canada during the dust bowl days of the 1930's, the problem was such that no province by itself could cope with it. Therefore the federal government recognized that it was beyond the capacity of a province and they came into the picture.

In 1938 there was set up in the prairie provinces the Prairie Farm Rehabilitation Act, commonly known as P.F.R.A. To give some indication of what was accomplished under the most adverse conditions imaginable, in 1938 and 1939 it took 58 acres of land to pasture one head of livestock in this area, which comprises some several million acres in southern Saskatchewan, and I imagine the same thing applied to southern Alberta and to other places that experienced similar conditions. After the act came into force it was a matter of only a short period of time until three head of cattle could be grazed successfully on the same 58 acres of land. That again is a clear indication of the great value of the practical application of scientific know-how to land and soil management.

We have now some 53 of these community pastures, as they are called, comprising several thousand acres, but the amazing thing is that in Saskatchewan there are some 23 million acres of land considered to be unfit for agricultural purposes. This is located in what is known as the brown soil zone. The P.F.A.A. people have carried out wide investigations and surveys of this area and have come up with statistics to prove that farmers cannot survive on this type of soil. Yet of those 23 million acres in Saskatchewan, 15 million acres are under cultivation. There is great need for conservation measures to get out of that land the production of which it is capable. In other words we are wasting some 23 million acres of land in Saskatchewan, land which could make a great contribution to the economic stability of this country.

During the depression years in Saskatchewan, brought about by the factors I mentioned a moment ago, it cost the people of Canada in the way of direct relief $184 million, to say nothing of the tremendous losses in capital investment. The P.F.R.A. made a great contribution to checking that tremendous loss. Approximately $76 million was spent under that act, money well spent.

We must remember that hunger is still the greatest problem in the world today. Considerable research has been done by FAO in this regard. We talk about overproduction, surpluses of agricultural products and so on, but I do not think anyone who has investigated the problem will say there is overproduction. Rather it is underconsumption. We need a distribution system to see that our production gets into the hands of the people who need it.

It is estimated by the food and agriculture organization that there are some 2·7 billion acres of arable land in the world. It might be interesting to note that in Canada, where we consider we have an unlimited number of acres, only 3 per cent of our land is arable. That is quite a small percentage when we consider the situation prevailing in other countries. For instance, in the United States some 24 per cent of the land body is arable; in the United Kingdom the arable land constitutes 30 per cent of the total land body, and in some of the Scandinavian countries the percentage is as high as 65.

It is important that we try to utilize to the best advantage all the land we have. On the basis of 2·7 billion acres of arable land in the world there is only 1·1 acre for each individual which is far below the minimum required for the decent nutritional standard we would expect. I should like to quote from a report by Dr. K. W. Neatby, director, science service, Department of Agriculture, which appeared in the *Agricultural Institute Review* of June, 1954. I am reading this because I believe it points up the importance of utilizing to the best of our ability all the arable land in this country. Dr. Neatby had this to say:

> Our population is increasing at a rate of about 2 per cent per year, our consumption of food is at least 80 per cent of our total production, and our production is not increasing anything like 2 per cent per year, if it is increasing at all. In other words, we are rapidly approaching a position of mere self-sufficiency. Can we expect a 2 per

cent per annum increase in production, that is 34 per cent by 1971? If we could develop virgin lands and irrigation schemes without regard to cost, if we could accelerate our plant and animal breeding work and count on a little luck, if we could produce abundant livestock feed by hydroponics, and, finally, if we could anticipate steadily increased efficiency in farm management, the goal might be reached easily. But can we? Shall we? I have grave doubts on both counts. I hope I am wrong; but if I am right, then maybe more people will be looking at the other side of the population—food equation by 1971 or sooner.

After pointing out that the world picture is even more serious, he goes on to say:

To maintain the physical standard of living that prevails in North America, it has been calculated that we require about 2½ acres of arable land for each individual.

He goes on to point out that in China and most of Asia the people are trying to exist on something like one-half acre of land each. It is important that we in Canada, especially in the west where we have great areas of arable land, utilize our land to the best of our ability. There are 123 million acres of arable land in the west, 15 million acres of which lie within the Palliser triangle, which area is subject to the drought conditions I spoke about a moment ago. The margin between desert conditions and those normally found in the Palliser triangle is so small as to be almost negligible.

It is most important that we waste no time in developing an over-all national—I do not mind using the word the hon. member for Kootenay West was a little sceptical about—conservation authority in this country in co-operation with the provinces. We need this to carry out this great and pressing work.

I would not want to sit down without mentioning the South Saskatchewan river dam. I am not going to elaborate any more on this than to say that it would be a most important project in an over-all conservation program. Water knows no boundary, and if we are going to continue to have these flash floods, if they are going to continue to be a great hazard to Manitoba, then it is most important that the federal government assume greater responsibility in connection with this whole matter of a national conservation authority. Soil and water are inseparable. I have no hesitation in asking the government to give the most immediate consideration to the establishment of such a conservation authority.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, in taking part in this debate on the resolution proposed by the hon. member for Kootenay West I intend to confine my remarks to our forest resources in Canada. Here in my notes I have numerous figures which I may state at the beginning have been taken from the dominion bureau of statistics, from departmental reports and from the reports of the pulp and paper association of Canada.

I believe that in order to ascertain the degree of conservation that is required in Canada at this particular time as far as our forests are concerned, it is necessary first to get some idea of the extent of our forest resources, then to have some idea of the value which our forest resources have in our economy and, third, the rate at which our forest resources are being depleted and the problems of conservation they present. Then I should like to speak for a moment with regard to the procedures that are now being adopted in relation to those problems of conservation. Finally I should like to say a few words about conservation in my own province, following the same five points.

Our forests in Canada extend over a very wide area and are exceeded only by those of two other countries, namely the tropical forests of Brazil and the forests of Russia. Our forests in Canada extend from the Atlantic to the Pacific ocean, at times narrowing to a width of 600 miles and at other times widening to a width of 1,300 miles. The total forest area is approximately one and a half million square miles or 42 per cent of the total land area.

This total forest area is divided into two categories. One is called the unproductive area. This area lies along the northern fringe of vegetation and has an area of 670,000 square miles, or 45 per cent of the forested area of Canada. I sometimes disagree with this term "unproductive area." I think that is the terminology of the foresters. It may have some value in the sense that it means a portion of our forests which does not produce merchantable timber, but the unproductive area is unproductive only in that sense, because this unproductive area of our forests does give to us a large part of the habitat of our wildlife, and also gives us great controls to regulate our water flow.

Of the productive area, 830,000 square miles or 55 per cent of our forested area, it is here we find that the forest industries are getting most of their raw materials. This productive area again is subdivided into two classes, one called the accessible area, having an area of 580,000 square miles or 70 per cent of the productive area. The inaccessible area, or 30 per cent of the productive area, is an area of 250,000 square miles. This term "inaccessible" is of course nothing more than a relative term, because the areas that are today considered inaccessible may tomorrow be accessible by the building of roads or railways or the establishment of mills or the putting of new equipment on the market.

Of our trees in Canada today, there are roughly 177 different types. Of these, 55 have commercial value, and of these 55 we have 23 softwoods and about 32 hardwoods.

Having had a look at the extent of our forest resources in Canada, I should like for a moment to spend some time on the value of the forest resource in our economy. If we took productive area alone, 830,000 square miles, and worked this out, we would find that this would be equivalent to 180 acres of productive forest land for each family of five. Based on forestry estimates, 180 acres would produce in perpetuity about 60 cords of wood annually, which at present prices would be equivalent to $1,500 per year. If we were to take the importance of the pulp and paper industry in our economy, which uses about one quarter of the actual consumption of wood, we would realize that of the money which Canadians earn, one dollar out of every eight is earned by those engaged in the pulp and paper industry. In the approximately 80 companies now operating 130 mills in seven provinces in Canada, over 300,000 men are employed directly while many more thousands are employed indirectly.

Without this great product Canada would not be the international trader that she is. The value of the pulp and paper industry to Canada exceeds the value of wheat and all grains. It is equal to the total national output of all minerals. Every hour of the day here in Canada 1,000 tons of paper and pulp is being made by our mills, having a value of approximately $140,000, or a total of $1·1 billion a year. Twenty per cent of all exports are made up of paper and pulp products, and of our exports to the United States one-third are from the paper and pulp industry.

We might have a look for a moment at the value of our forests with regard to personal holdings. It has been said that 7 per cent of the forested area in Canada is privately owned. I agree that this, of course, is correct. The area of privately owned land is 97,000 square miles, but I would suggest that, although this statement is true, it does not give a true picture of the actual holdings, for the simple reason that the land that is now privately owned is situated in that part of Canada where the most prolific growth can be obtained. I would suggest therefore that the number of square miles of land privately owned should not be calculated with reference to the total forested area but should be calculated with reference to the productive area.

If we were to do that, we would find that the privately owned land represents 12 per cent of the total productive area. On the other hand, these privately owned lands are among the most accessible forest lands in Canada, and I would therefore go on and say that not only should the private lands of Canada be calculated with reference to the productive area but also with reference to the accessible productive area. We would then find that the privately owned lands would form 17 per cent of the accessible productive area.

In different provinces various percentages of forest land are privately owned. In Prince Edward Island, for example, nearly all the forest land is privately owned. In Nova Scotia 73 per cent of the forest land is privately owned, half of which consists of areas over 1,000 acres. In New Brunswick the percentage is 50 per cent; in Newfoundland 16 per cent; in Quebec 6 per cent; in Ontario 8 per cent; in Manitoba 7 per cent; in Saskatchewan 7 per cent; in Alberta 7 per cent; and in British Columbia 4 per cent. May I say that these percentages refer to total forested areas.

I should like now to have a look for a moment at the rate at which it is calculated that our forests are being depleted. For the ten years 1941 to 1950 the average utilization was 2·843 billion cubic feet. For the ten years 1942 to 1951 there was a slight increase, the average annual utilization for that period being 2·935 billion cubic feet. The utilization for the year 1952 alone was 3·545 billion cubic feet.

It will be noticed here that in the year 1952 there was a very definite increase. In talking about depletion we must not only, of course, refer to utilization. It is also necessary to refer to wastage. In the years I have mentioned wastage due to fire, insects and disease amounted to an annual average, for the ten years 1941 to 1950, of 732 million cubic feet, for the ten years 1942 to 1951 an average of 675 million cubic feet, and for the year 1952, 790 million cubic feet. If these figures are related to the total product which the forest is able to supply we find that over the ten years 1942 to 1951, the annual depletion was at the rate of 1·3 per cent of the accessible area or 0·9 per cent of the productive area or 2·9 per cent of the occupied area. For the year 1952 the depletion for the total productive area was 1·1 per cent, for the occupied area 3·5 per cent and for the accessible area 1·6 per cent.

If we take these figures and analyse them some very interesting facts can be found. First, we note that the rate of depletion is increasing. Second, we note that the annual rate of depletion in the occupied area was

3·5 per cent for the year 1952. No forest could ever hope to maintain a sustained annual yield with a 3·5 per cent depletion in any one year or over a period of years. But we must remember that this 3·5 per cent refers only to the occupied area, and the occupied area is of course considerably less than the total forested area of Canada. The total occupied area is actually 38 per cent of the productive area. If this is written in terms of the productive area, 1·1 per cent, we can easily see that with a rotation program of 70 years a depletion of 1·1 per cent can easily be maintained. While it may be true that in the accessible and occupied areas the percentage of depletion has been rather high, I suggest that when we talk about the rate of depletion it should be referred to the total productive area.

But another lesson comes from this, Mr. Speaker. It means that in the areas that are being logged today excessive cutting in all probability is taking place. But if the rate is referred to the whole area then the rate of cutting is not excessive, which points out the need for a very strong forest management program in Canada so that rather than cutting timber stands that are not old enough to be cut, there will be direction toward the cutting of timber in those stands that are mature and overstocked.

I believe these figures indicate the directions in which conservation measures are most likely to be successful, and I would suggest that there are five. First of all, there should be a program of sound forest management. Second, there should be direction toward the cutting of timber on mature stands that are overstocked. Third, there should be good cutting practice with controlled reforestation, seeding and planting programs not only to renew the forests that have been cut but also to augment them, for I believe that in any forest area that has been cut it is not only possible to produce a forest equally as good as the one that was cut, but that under proper management it is possible to produce a forest that is better. In other words, we not only have renewal but we also have augmentation. Fourth, we need an effective fire prevention program. Of course many of our provinces today do have fire prevention programs that are effective. Fifth, we need adequate scientific research to discover and control attacks by insect and disease.

If these five points are to be the points of a conservation program, let us look for a moment and see how these five points are being carried out by provincial governments, assisted by the federal government and assisted by private enterprise. In 1949 this parliament passed the Canada Forestry Act. Two years later, in May, 1951, there was a federal-provincial conference with reference to conservation. Following the passing of the Canada Forestry Act there was an agreement with some of the provinces whereby the federal government agreed to pay one-half the cost of forest inventories. They agreed to pay $10 per thousand for planted trees, $1 per acre for seeding and one-fifth of the cost of operation of tree nurseries.

Up to March 31, 1954, under this program ground surveys had been done on 200,000 square miles of Canada's forest lands, air surveys had been done on 500,000 square miles, and inventory reports had been received on over 400,000 square miles. Up to March 31, 1955, planting had exceeded 50 million trees over an estimated area of 60,000 acres, and seeding had been done over 6,000 acres. It is estimated that by the end of March, 1956, nearly $5 million will have been spent by the federal government on this program initiated under the Canada Forestry Act of 1949.

Added to this we have the research facilities of the federal government. We have the prevention measures by provincial governments and also by private enterprise. I believe that by provincial governments and by private enterprise a very excellent job is being done in this respect. We also have expenditures by the lumbering industry and expenditure on research and control by the Canadian pulp and paper association which exceeds the expenditure of all provincial governments combined.

I believe that a fairly good program of conservation is now in effect. It remains to be seen how effective it will be over the next few years and how well the program as outlined can be implemented. But I believe we can go forward with the hope that Canada's forests will continue to produce sufficient wood for our lumbering industry and for the pulp and paper industry. Mr. Gordon Godwin, woodlands manager for the Ontario division of the Ontario Paper Company Limited, last year said this, as found on page 2 of his printed speech, when speaking to the Rotary club of Woodstock, Ontario:

> Thus with all inventory withdrawals accounted for, and in consideration of growth rates, it is clear that we are in no danger of exhausting our forests.

Also, Mr. Speaker, in the annual report of the president of the Canadian pulp and paper association for the year 1955, at page 8 the president states:

> The pulpwood harvested last year for the industry increased by about 10 per cent and exceeded 13 million cords. About one-third of this wood was purchased and two-thirds came from company

limits. The limit cut represented a harvest of less than 8 cubic feet per acre averaged over all the woodlands of the industry. These woodlands can most certainly support such a cut in perpetuity and, under present management methods, can support an increasing cut in the years to come.

If I may, Mr. Speaker, I should like to refer to forestry resources conservation measures within my own province of Newfoundland. I do not believe there is any province across the whole country of Canada that is more conservation conscious than is Newfoundland. I believe we may have the earliest conservation measures in existence across this land, going back into the early history of Newfoundland, to the year 1610 when a Bristol merchant by the name of John Guy came to Newfoundland and established a settlement at Cupids. There in 1610 he made this ruling: "No person shall set fire in the woods". It may be that this regulation made early in 1610 was the first conservation measure on the North American continent.

I might add that it was at this time, under the administration of John Guy, that the first forest survey in Newfoundland was made. I agree, of course, that it applied only to that area of Newfoundland over which John Guy had the authority of administration. But 150 years later Sir Hugh Palliser, a governor of Newfoundland, speaking of Labrador, said that any person setting fire in the woods should be brought to St. John's, the capital of the province, and there tried before him. That was in the year 1767.

From that time onward not a great deal was done with the forestry resources in Newfoundland, but in 1919 a branch of the department of agriculture and mines was set up for the purpose of looking after our forest resources. In 1953 a new policy for forest management was brought into effect. At the present time the total forest lands of Newfoundland—and I am referring only to the island—are divided into 250 operational zones. In some of these zones studies have been carried out with relation to cutting rules and allowable cuts. In those management zones more concentrated studies have been carried out with the idea of getting facts and figures relating to the amount of wood which could be cut, the allowable cut and plans for a more effective management program. Of course the earlier settlers who came to Newfoundland came there to fish, but they were not there very long before they were able to see clearly the relation between the fishing and the forest industries.

There was a gradual development of the lumbering industry. For example, some of the old water wheels are still there. But it was not until 1890 that Newfoundland entered the export lumber business. It was not until 1897 that the first pulp mill was established in Newfoundland. This pulp mill operated, I believe, for a period of five years. Then in 1909 the Anglo-Newfoundland Development Company started that great mill at Grand Falls. In 1925 the Newfoundland Power and Paper Company began the great newsprint mill on the Humber river. This mill was later transferred to the International Power and Paper Company in 1926 and, in 1938, to the great Bowater organization.

The importance of forest industries to the economy of Newfoundland may well be shown by this statement, and I am reading from the estimated income of Newfoundland for the year 1955. The estimated income from all forest industries is rated at $64 million, or 31·6 per cent of the total income. The income next to that of forest industries was that of mining but it was much less, being only 12·3 per cent. The fishing industry was far less, bringing in only $20 million or 9·8 per cent of the total annual income.

In 1954 the provincial government of Newfoundland authorized a royal commission to be established to look into the problems of conservation in Newfoundland, along with, of course, many other forestry problems. I have here a copy of this report. As far as I can see, Mr. Speaker, the essence of this report is the same as what I have given for the forests of Canada as a whole, namely that in some areas there is considerable overcutting but that for the forests in general there is plenty of forest land to allow the present industries to carry on for some considerable time.

This does not, however, take into account the forest resources in Labrador. No complete forest inventory has been made of the forest resources of Newfoundland Labrador; but from what aerial surveys have been made, as well as from ground surveys, it is estimated that the major part of the forest resources of Newfoundland Labrador are concentrated at three points. These are in the lake Melville area, having a total production of 30 million cords; in the Sandwich bay area, having a total production of 11 million cords, and on the southeast coast of Labrador, having a total production of 8 million cords. These figures give a total of 49 million cords, an amount which would look after the industries of Newfoundland for some time, since they have an annual rate of depletion of a little less than 1 million cords per year.

Having due regard to these facts, the fact that there was a federal-provincial conference in 1951, the fact that in 1954 a convention was held by the Canadian forestry association, and the fact there is some indication that the forestry association will continue with its convention in 1956, I believe

that no federal-provincial conference is necessary at this time. To the hon. member for Kootenay West I should like to say that this is a problem which needs to be watched continually if we wish to be sure that our forestry resources are not going to be depleted beyond recognized limits.

I believe that the real conservation is the conservation which is put into effect when there is no danger of having our resources depleted. I should like to commend the hon. member for Kootenay West for having brought forward this resolution, and I hope it will be brought forward again. I believe that the conservation of our natural resources is a problem that needs to be tackled at various times in this house. After all, Mr. Speaker, our natural resources do not belong to us. We are not the owners; we are only the temporary tenants. I should hope that here, in this great land of Canada, some conservation program can be carried on so that we may hand over to posterity those natural resources, improved if possible but never impaired.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to congratulate the hon. member who just spoke for his excellent contribution to this discussion this afternoon. At the same time I should like to express a word of appreciation to the hon. member for Kootenay West who through his resolution has afforded us this opportunity. Obviously the subject of conservation is of tremendous interest in this house. Every year when it comes under discussion we have a wide, representative debate.

This all to the good because, as many hon. members have already indicated, the topic of conservation is of tremendous importance to Canada. We are passing into a phase of development where everyone is seriously concerned and preoccupied with the necessity of conserving our rich resources. From the standpoint of members from the prairie regions, it might appear that we are in possession of limitless land resources that could never be exhausted under any circumstances. However, already there are ominous statistics available which indicated that the time is long overdue when some positive action must be taken if we are to continue the degree of fertility we have in that section of the country.

Actually, the relationship of arable land to the total area of each of the prairie provinces is very small indeed. The Rand McNally standard world atlas, 1953 edition, indicates that in Manitoba only 6 per cent of the total land area is arable. In Saskatchewan we have 21 per cent and in Alberta 13 per cent. There are further statistics which indicate that during the period of the thirties, in particular, and up until 1941, we abandoned some 4 million farm acres in western Canada. Between 1921 and 1940 some 267,938 acres of land in Manitoba went out of cultivation, largely due to soil erosion. Those figures serve to indicate, I feel, that this is a matter that requires urgent attention.

The point I should like to stress is the need for a nation-wide policy to cope with the problem. I shall follow the example of the hon. member for Kootenay West in using the word "nation-wide" rather than national. Without exception from all sides of the house, every time this topic is discussed, we have the unanimous opinion that conservation is important. However, when we get down to the fine point we always run afoul of the problem of federal and provincial responsibility. Last year as I recall we had an excellent discussion, but in the final analysis I think it was the Minister of Agriculture who justified continued inactivity by indicating that it would be necessary for the provincial governments to take the initiative in this matter.

There are examples where the contrary has been true. Indeed, the only real occasion when a comprehensive attempt was made to deal with the problem was in 1935, when the Conservative government of that day inaugurated the Prairie Farm Rehabilitation Act. This was initiated by the federal government. The P.F.R.A. conservation work was placed under the jurisdiction of the federal department of agriculture. It incorporated the services of all agricultural research across the country. Soil surveys were expanded, and research was instigated at appropriate universities by plant breeders, soil scientists, agricultural engineers and agricultural economists. The extension services of the provincial departments of agriculture were helpful in taking the information arising from the various activities under P.F.R.A. to the individual farmers. The act provided for an advisory committee with representation from the provinces as well as from the federal government.

We have a precedent, therefore, for nation-wide activity, at least in one important aspect of this problem. The argument that usually winds up this debate, to the effect that in order to get action we must have provincial government initiative, does not necessarily apply in view of the precedent I have just mentioned.

I am mainly interested in this problem because of the continued difficulty that we have

with flooding in Manitoba. There is a concrete example of national co-operation on this particular problem as well. Last fall a very important flood control project was commenced in my constituency on Pipestone creek. It is perhaps a relatively small development, but it does involve the expenditure of some $200,000. This Pipestone project is being jointly financed by the federal, provincial and municipal governments. Through P.F.R.A. the federal government will pay about half the cost. The provincial government will pay about one-third, and the remainder of the cost will be split between the municipalities of Pipestone and Sifton. There is also another federal department participating in this particular project. There is an Indian reserve in the area, so the federal Indian affairs department is participating in the scheme. I mention this example merely to demonstrate that it is possible to get joint action on these important measures.

If I am given two minutes, Mr. Speaker, I think I can bring my remarks to a conclusion. I mention this subject of flooding particularly, and in doing so I do not exclude the general problem outlined in the resolution in connection with soil, forest and water conservation. I believe that flooding is directly connected to the problems that arise in regard to soil and forest preservation. I think it can be easily demonstrated that flooding, which we sometimes refer to as an act of God, can be more properly described as an act of man. I am thinking particularly of those murderous flash floods that have done such extensive damage in the various provinces during recent years. The flash flood on the Humber river, for example, could easily have arisen from the fact that forest reserves in Ontario have been allowed to diminish to a point where they are a small percentage of the total land area.

According to Mr. Bodsworth, who writes in *Maclean's* magazine, we have not only stripped the trees from the agricultural land but we have deforested 8,000 square miles of land so infertile that only trees will grow on it. He says:

> Germany, though fighting for living space in two wars, has 27 per cent of its land in forests. Canada, at the rate it is now reforesting its overcleared agricultural areas, will not have an adequate forest cover until 2750—if runaway water has not carried all of our topsoil into the oceans long before that time.

He goes on to refer to the tremendous loss of topsoil that occurred during the Humber river flood, when University of Toronto scientists measured the silt content of one of the three branches of that river and found it was carrying 2,700 tons of soil per hour into lake Ontario. Now, I do not believe I have to stress further at this point, mainly because of lack of time, that we have an urgent problem on our hands which can only be successfully coped with if the terms of the resolution are carried out, and nation-wide consideration given to this matter at the earliest possible moment.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

(Translation):

Mr. Armand Dumas (Villeneuve): Mr. Speaker, the mover of the resolution now before the house is a champion of conservation, as are all other hon. members of the house.

The conservation of our natural resources is one of the most important matters that can be debated here and I believe I am not mistaken in stating that we all agree on that point. Moreover, being conscious of our responsibilities, we all know that it is our privilege and duty as Canadian citizens to promote at all times the cause of conservation of our natural resources, in all its forms.

That is the principle which leads me to speak in the debate and I hope that my humble contribution will justify the valuable time that I must necessarily take to express my views on this subject.

Each time conservation has been mentioned in the house, whether on the occasion of government legislation—and there have been several instances in the past few years—or whether the matter has come up as a result of a motion from a private member, such as this one, the problem has always given rise to interesting and most fruitful debates.

The conservation of our natural resources interests all those who have the welfare of society and the future of the nation at heart. We all speak feelingly in the matter. It has long been the subject of debate in provincial legislatures. It has also been the main topic of several conferences and meetings across the country, and all classes of citizens have made their views known on the matter. All of us want to discharge our responsibility towards future generations, and make sure that our natural resources will not be depleted but preserved for use by our successors. We also wish that their development may increase in proportion to the population.

Conservation

Unfortunately, the natural resources of our country have not always been dealt with according to the principles of true conservation, nor have they received all the attention they deserved. In the past, we have been far too wasteful of our resources. In the early days of the colony, for instance, the abundance of trees was, for the settler, an obstacle to colonization. For the first settlers in this country, the forest was almost an enemy which had to be defeated to make land available for cultivation. It has been pushed back with the axe and even with fire; vast spaces of land which should never have been cleared were thus turned into unproductive deserts. In the years which followed the period of settlement, unscrupulous operators, joining efforts with the settlers, did not show any better judgment in their treatment of the forest. Our forest resources have not been dealt with properly.

Again today we do not always show our forests all the respect they deserve. Today, one cannot understand that the forest should still fall prey to human greed.

There are still too many people bent upon drawing from the forest the greatest immediate profits possible without regard for consequences. We must put an end to these unforgivable abuses. It is the duty of provincial governments to show more severity and to bring to reason those unscrupulous operators.

Yet it is because of its forests that Canada is foremost among paper producers of the world. The forest is the great regulator of the streams which water our lands and supply our power plants. It protects against erosion and safeguards our wild life. Canadian forests, and the industries they supply, play a vital part in our national economy. Each year, they bring wealth to our country and contribute to the economic stability of the whole nation. At present, hundreds of thousands of people earn their living in those industries.

We are prone to consider that the forest is an inexhaustible source of wealth. It should not be forgotten however, that at this time our forest industries are running at full capacity and that there is very real danger that this system of high speed cutting may disrupt the balance of nature and that the forest may not have sufficient time to renew itself.

Our Canadian forest must not be allowed to die. Should this ever come about the whole national economy would suffer a grievous blow. Governments, industry and the public generally must therefore take the necessary steps so that the forest may remain productive and protected against its enemies: man, fire, tree diseases and insects.

It has often been demonstrated that in the past governments have been lacking in vision and that industry, and the public in general, have been guilty of unforgivable abuses in the exploitation of our forests, with the result that over vast stretches of land the forest has become unable to ensure its own regrowth without human intervention and recourse to expensive artificial means.

Fortunately, over the past thirty years, the necessity of conservation has been better understood. At the present time, for instance, lumber companies are more alert. They take a greater interest in the future of our forestry resources and are active in the fields of forest management and silviculture. Reforestation has ensured sustained yields to some of our largest operators. Each year the industry spends considerable sums of money in the opening of access roads, fire prevention, research of all kinds and surveys of improved methods of operation. These are essential contributions on the part of industry. They must be continued and governments should make it their responsibility to encourage them as much as possible.

I should add at this point that the provinces, which are primarily responsible for the administration and conservation of our forests, of which they are the owners, are increasingly conscious of their duty as regards forest management and conservation. Nevertheless since they are the real owners of the greater part of the forest area under their control, we have a right to expect that they continue to encourage conservation in all its various forms and in every possible field.

I should very much like to remind the house once more, Mr. Speaker, of the magnificent work accomplished in the field of conservation by the Canadian Forestry Association, l'Association Forestière Québecoise and all the various groups affiliated to the latter organization, such as the Quebec 4-H clubs and the regional forestry groups of which there are eight in all.

Over the past fifteen years these various associations have unceasingly alerted public opinion about the necessity of protecting and conserving our natural resources. If the interest of the Canadian public in forestry has been constantly increasing over the last few years, this is due to the activities of these various groups.

The Quebec Forestry Association was set up in 1939 by a group of public-spirited citizens who were determined to promote by all possible means the education of the public regarding the protection and the conservation of our natural resources, and more particularly our forests. For more than 15 years it has kept these vital problems before public opinion.

The Quebec Forestry Association does its educational work among French-speaking people in Canada, and its activities extend from one end of the country to the other. It is held in high repute not only in this country but in the United States and in other foreign countries. It is recognized as the best qualified organization to inform the public on the forest situation and it is regarded as the best medium for voicing public opinion on matters of conservation.

The aims of the association are to make French-speaking people in Canada conservation minded in order that the state may legislate more easily and more efficiently in that field. Its aims include also forest fire prevention, insect and disease control, and it conducts educational campaigns in favour of forest management, forestry and sound lumbering.

The association and its branches have a membership of more than 30,000, and their annual budget exceeds $175,000. The results recorded up to now are more than satisfactory, and we can be proud of the work done by these different organizations.

Public opinion has been aroused. The press, the radio, our public men and our clergy as well as associations, clubs and big business, all talk now of forest conservation as of something possible and necessary; it is even part of their activities. And, more important still, through the publicity thus carried out by the association, the public is beginning to realize the importance and necessity of such legislation passed by governments to regulate the utilization of natural resources such as the forests, fauna, rivers and land.

If I spoke at such length of the various activities of our forestry associations, it is because, to my mind, they deserve to be brought to the fore. With a very restricted budget, they do splendid work which must not pass unnoticed.

I should like at this point to appeal once again to the government and, to this effect, I urge upon the Minister of Northern Affairs and National Resources (Mr. Lesage) to recommend a more substantial assistance to the Canadian Forestry Association and to l'Association Forestière Québecoise. This year, the estimates include an amount of $10,000 for that purpose and I should ask him to consider seriously the advisability of increasing that amount to $40,000 or $50,000. That would be one of the best investments the federal government could make for the cause of conservation.

Now, Mr. Speaker, what should the federal government's attitude be as regards conservation of our national resources. If we consider the country as a whole and if we admit that forestry, agriculture, mining and manufacturing are the four mainstays of our economic, financial and industrial organization, we soon realize how important it is to strive for the conservation of our soil, our forests, our water resources and our mineral resources. We must consider this problem as being national, indeed international, in scope.

This government and its predecessors did not fail, in the course of the last twenty-five or thirty years, to take the necessary steps to co-operate with industry, with provincial governments and with our neighbours to the south, in order to intensify the conservation of the natural resources of our continent. And so we find on the statute books of Canada such laws as the Canada Forestry Act, the Canada Water Conservation Assistance Act, the Eastern Rocky Mountains Forest Conservation Act, the International River Improvements Act, the Prairie Farm Rehabilitation Act, the Maritime Marshland Rehabilitation Act, to mention but these few. Each of these acts was passed for the benefit of any province wishing to avail itself of its provisions.

It might be good at this point to ask ourselves whether all provincial governments take advantage of these acts as they should, whether there is reticence or negligence on the part of some provincial governments when it is merely a matter of availing themselves of the assistance offered to them by the federal government. I wonder what practical results we could expect from a federal-provincial conference on conservation.

And there are many other fields where the federal government is doing a good job in matters of soil conservation, forestry and water resources. May I mention first the forestry research branch, which has made

and is still making advanced studies in tree culture, cutting, protection, timber reserves, reforestation, utilization, preservation, technology and chemistry.

In a general way, the federal government administers an extensive policy of conservation in the fields under its jurisdiction. Part of this program is related to studies and research works of all kinds in matters of agriculture, forestry and water resources.

On reading the last report of the forestry division of the Department of Northern Affairs and National Resources, I found encouragement in the fact that seven provinces took advantage of the Canada Forestry Act and that, in a not too distant future, they will have completed the inventory of their forestry resources. It is also very encouraging to find that more than 48 million trees have been planted in six provinces according to the regulations passed under the same legislation.

It is most interesting to read in the same report that the federal government has made available to the province of New Brunswick an amount of $3 million for extermination of the spruce bud worm. This large scale experiment has already enabled the treatment of several thousand square miles, and apparently the work will continue next year as a substantial enough item appears in the 1955-56 estimates.

I could quote several other excerpts from the report I just mentioned, on hydraulics, for instance, hydrometry, forestry economy, the forestry research service, the forestry inventory section and the forestry product laboratory service. Each of these items, vying in interest with the others, shows how much federal legislation is promoting better use and greater conservation of our natural resources.

At this point I want to associate myself with the hon. member for Kootenay West (Mr. Herridge) in congratulating the officers and technicians in charge of the federal forestry service. They are doing a good job and we can consider ourselves lucky to have employees of that calibre to direct the activities of this important department.

Mr. Speaker, it must be admitted that the federal government is giving valuable assistance to the provincial governments in the field of conservation. If the provinces are really willing to take every possible advantage of this assistance, there is reason to hope that we will obtain the desired results.

[Mr. Dumas.]

In spite of the progress achieved in this field, much remains to be done. It is not an easy problem, as I have already said, to go to the limit of our resources in matters of conservation. As a rule, such problems are solved through compromise and co-operation.

Here let me emphasize that the ultimate purpose of the resolution of the hon. member for Kootenay West is to establish a nation-wide uniform policy on soil, forestry, water conservation and land use.

To achieve this, the hon. member suggests the calling of a federal-provincial conference.

It seems, at first, that there should be no objection to the establishment of a national conservation policy; on the contrary, it would seem to us an absolute necessity. On the other hand, in a case like this, might not certain people consider the expressions "national policy" or "national projects" as an infringement on provincial rights? Might not such words incite certain provinces to state that the central government wants to deprive them of some of their vested power? I am putting this question because past experience has shown that it was not always wise to initiate national policies in matters that were constitutionally under provincial jurisdiction.

As I said before in this house, I feel that one of the most important tasks faced by the various governments, by industry and the people in general would consist in defining responsibilities and lacks, so as to determine the logical means to solve any existing difficulty. The problem remains the same, and brings to the minds of some Canadians questions of great import that are still waiting for a clear answer.

How serious is our forest problem? What should we do in order to conserve this national asset? What ideal aim should industry and the various governments pursue? If there were any danger to lose this very important asset, what should be done to avoid such a disaster? How can we maintain each small lot of our woodlands in constant production?

I am repeating all those questions which I asked before in order to show that the problem with which we are concerned is not such that it could be solved during a federal-provincial conference. We have many reasons for not believing that such a conference would enable the country to establish a nation-wide conservation policy. The prob-

lem is too intricate and covers too large a field to leave any hope that it could be solved without preliminary study and without genuine co-operation on the part of all concerned.

This afternoon, the hon. member for Charlevoix (Mr. Maltais) moved an amendment which, I think, most members of the house should welcome. However, I, for one, insist again on suggesting that a special committee should be established. I feel that we, as a legislature, could do a better job by requesting that a special committee of the house be established in order to carry on further studies and inquiries on that subject which we all have at heart. It is quite possible that a thorough report on the matter might indicate the best way of considering the forestry problem, and the problem of the conservation of our resources as well.

It is obvious that the federal government wants to do everything in its power, at the present time, to encourage conservation. Furthermore, the legislation passed so far, the facilities provided to industry and to the provincial governments, and the moneys which are being voted every year for that purpose are so much evidence that this government is well prepared to really help those who want to help themselves.

(*Text*):

Mr. F. E. Lennard (Wentworth): Mr. Speaker, in rising to say a few words on this very important subject this evening, I wish to congratulate and thank the hon. member for Kootenay West for his motion which was at the head of the list, because it gives us an early opportunity to discuss this very important matter.

I might say that personally I have been an active conservationist for some years, not to the extent of the hon. member for Kootenay West with his vast acreage but in a very small way in Wentworth county with a few acres, both in water conservation and reforestation. I might say that my plan for reforestation is not the growing of Christmas trees but rather a long-term project.

I wish to deal for a few moments this evening—and this is the subject matter of my few words—with the lake shore erosion and water levels bordering on and surrounding lake Ontario. I have sometimes felt that my voice and those of one or two other members were crying in the wilderness in this house, because off and on for the past 20 years this has been one subject in which I have been very much interested. On April 20, 1951, I said in this house:

> In the immediate vicinity of Hamilton beach and Van Wagner's beach just a few months ago they experienced a great deal of trouble, and many houses have been practically washed away. The common answer to that is: Well, they should not have built so near the shore line. In many instances the older houses that were built years ago were built a considerable distance from the shore line at that time, but because of this constant erosion, in some instances up to six and often nearly seven feet a year over the past 15 or 20 years, the shore line has receded upwards of 200 feet. A serious condition is facing the people in the Niagara peninsula.

I might say that those people living on the shore line of lake Ontario have been especially concerned for years and, because of the St. Lawrence seaway development, have been rather perturbed as to what might happen to the property when certain levels were established. I have before me a brief that was presented to the federal government early in January of this year by the lake Ontario property protection association. With the consent of the house I should like to put this on *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Lennard: The brief is as follows:

> The Canadian
> Lake Ontario Property Protection Association
>
> Whereas Her Majesty's government has approved the recommendation of the international joint commission to control the water level of lake Ontario contrary to nature, we, the property owners ask for your consideration of the following statements:
>
> Whereas the natural water levels of lake Ontario with the addition of diverted waters, and the removal of the Gut dam, has maintained fluctuating level below 245 feet minimum, and 247 feet maximum, and
>
> Whereas Her Majesty's government approved the diversion of waters to assist the hydro commission, and has now sanctioned a fluctuating level of 244-248 feet:
>
> We therefore request Her Majesty's government to give serious consideration to the property owners' problems.
>
> At various times members of parliament, realizing the need, and the responsibility of the government for assistance, have brought this problem up for discussion and have been offered partial assistance; but owing to the inability of the municipalities to meet their quota due to insufficient funds, the offer was withdrawn.
>
> We realize, too, that mistakes can be made in such a mammoth undertaking, and one that caused millions of dollars worth of damage to property owners, and much loss of land, was the diverting of waters into lake Ontario—which is the lowest of the great lakes—without making provisions for increased outflow. This association pressed for the removal of the Gut dam, and arranged for a tour of inspection of the international joint commission,

thus convincing the commission of the seriousness of the situation; and the removal brought immediate relief.

In view of the fact that the findings of the select committee, formed by the provincial government to study erosion was never tabled, and also that no cabinet minister has ever attended an international joint commission public meeting, we feel it to be very essential that a committee be formed comprising members of parliament—not engineers—to meet with members of this association and discuss the problems of the property owners, and consider the most economical ways of protecting their homes and income. Considering the enormous losses already sustained, they wish to be assured of a reasonably safe future.

We feel that had the international joint commission recommended the hydro commission to lower the channels two feet, the power potentials, and the natural levels of the lake would have been maintained, and erosion controlled without further protection.

We feel that this matter should be considered immediately, a committee formed, and action taken so that protective work may be completed in conjunction with the completion of the St. Lawrence power project.

I might say also in that connection that I have a letter from the Wentworth county council endorsing that brief. I wish to draw your attention especially to the second last paragraph of that brief, which states:

We feel that had the international joint commission recommended the hydro commission to lower the channels two feet, the power potentials, and the natural levels of the lake would have been maintained, and erosion controlled without further protection.

I must say that this brief was presented by an association that represents other smaller associations from the bay of Quinte around the lake to Niagara-on-the-Lake. In connection with the recent damage I wish to say that I have before me a list of 139 different properties along the shores of lake Ontario. I might say it refers to just that part of lake Ontario extending from Burlington to Niagara-on-the-Lake. The totals of that list are as follows: Estimated damage, $361,034.20; real estate depreciation, $415,095, and cost of protection by shoring, etc., $365,709.25. Just last year in one storm alone damage was done to the total amount of $12,180 to 24 dwellings at Crescent beach, Saltfleet township, near Hamilton.

It is often said, Mr. Speaker, that the federal authorities have no responsibility in the matter. I say they most certainly have because, so far as lake shore erosion is concerned, in the past many years federal governments have taken tons of sand from along the lake several miles from shore, making huge holes in the lake bottom. These holes were very quickly refilled by sand washed from the shores by the undertow, and that sand never returned to the lake shore.

These people on the shores on lake Ontario who have their property damaged are not asking for any consideration for the damage that has been done, but they are concerned for the future and they want to be assured that they will have adequate protection with respect to damage that might occur through the operations of the deep sea waterway. On January 23, 1956, I wrote to General McNaughton, chairman of the Canadian section of the international joint commission, as follows:

Dear General McNaughton:

I would urge that in the forthcoming deliberations that there be suitable indemnification clauses inserted into the plan for the regulations of the water levels of lake Ontario. I urge this on behalf of the lake Ontario property protection association and more especially for those members and residents who live on that portion of the shores of lake Ontario lying between Hamilton and Niagara-on-the-Lake.

On the same date I received this letter from General McNaughton:

Dear Mr. Lennard:

I have your letter of today's date in which you urge on behalf of the lake Ontario property protection association and others that the plan for the regulation of the levels of lake Ontario should include suitable indemnification clauses. I am bringing your letter to the attention of my colleagues and careful consideration will be given to the matter.

Yours sincerely,
A. G. L. McNaughton.

As I said before, Mr. Speaker, these people are very fair. They are not asking for compensation for past losses, but they are asking for protection against future damage. I feel that in this whole affair the property owners along the shores of lake Ontario have had to play second fiddle to the Ontario Hydro-Electric Power Commission, and that under the circumstances they should be assured of protection in the future. Protection clauses most certainly should be put into the agreement.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, in rising to support the resolution moved by my colleague the hon. member for Kootenay West, I wish to co-operate, as have other members, by being as brief as possible because we know there are so many who would like to make their contribution to the debate. The resolution calls for a dominion-provincial conference to study the question of conservation with respect to soil, forest and water resources. In introducing the resolution the hon. member has set out most adequately and in excellent fashion what the objectives are and some of the means that might be pursued. Therefore I will not need to repeat what has been said in the general discussion of the question.

However, the province of Manitoba is particularly interested from the point of view of

water. So far this winter more than seven feet of snow have fallen in most parts of the province, and unless the spring break-up is exceptionally favourable there is no doubt at all that there will be widespread property losses as well as inestimable damage to soil and fields generally. Because we in Manitoba feel that in the past there has not been sufficient planning with respect to the conservation of water, which is the other aspect of the problem of flooding, we are particularly glad that this question has come before the house at this time.

So far the only type of work that has been done which could be classed as conservation, together with reclamation, has been that done under the authority of the Prairie Farm Rehabilitation Act, and most people in Manitoba feel that while the act has been very useful in many respects it has been too restricted in its scope, not only from the point of view that it applies only to the three prairie provinces but also because it does not even apply to all of the three prairie provinces.

For example, in the province of Manitoba the work done under the act has been confined to a small area in the southwestern part of the province. There are large settled areas of good agricultural land where the problem of flood waters has been just as serious as in the area covered by the act, if not more so, and these areas have been entirely left out of the operation of the act. The figures show what the situation has been. Since the act came into force on April 1, 1935 until March 31 last year over $100 million has been spent. Of that amount only $6,824,000 was spent in the province of Manitoba. About $45 million was spent in Saskatchewan, the same amount in Alberta and $3,242,000 in British Columbia. Percentage-wise it works out to 6·8 per cent in Manitoba, 45 per cent in Alberta, the same in Saskatchewan and 3·2 per cent in British Columbia.

I point that out not because we have any objection to a large amount of money being spent for conservation and reclamation in the provinces of Alberta and Saskatchewan. We are glad they have been able to receive benefits under the act, but certainly even a glance at the figures will indicate that we in the province of Manitoba have a real grievance in that only 6·8 per cent of the total has been spent in our province where the need, particularly for flood control, is as great as if not greater than in the other provinces. For that reason I welcome the proposal for a dominion-provincial conference on the question of conservation, particularly from the point of view of the question of water in the province of Manitoba.

We are interested in the matter from two different angles, which stem from the same condition. We are interested in flood control for the very obvious reason that in the last three or four years many parts of the province, such as the interlake district represented by the hon. member for Selkirk (Mr. Bryce), the constituency which I represent and many other areas have suffered very serious set-backs due to excess water, and also due to the fact that the run-off of water was not controlled.

We are also interested because while our province so far has been extremely fortunate in being able to utilize its water power, we are now reaching the stage where the easily accessible sources of water power are becoming exhausted. Unless we move much farther north into areas which are much more inaccessible and remote, a procedure which would bring with it much greater expenditure on transmission facilities and construction, it will not be long before the province of Manitoba will become extremely short of water power. If we can harness in the most useful fashion the water resources we have and can control the water run-off, it will serve a double purpose. It will provide a supply of water for our water power requirements and at the same time it will prevent some of the serious flood damage that has occurred in our province from time to time.

In order to bring about a general over-all plan for the control of these waters, it will be necessary to have federal and provincial co-operation. In the province of Manitoba I think there is a good case in point. As it happens, in the northwest part of Manitoba, the area with which I am most familiar, the difficulties we have had with flood water arise from two sources particularly. One of them happens to be Riding Mountain national park, which is the responsibility of the federal government. The other one, which is north of Riding Mountain national park, is the Duck Mountain reserve which is, of course, the responsibility of the province of Manitoba. The waters from the eastern and northern slopes of these two watersheds have caused a serious amount of damage over the years, and many efforts have been made by the municipalities, through the province, to obtain the co-operation of the federal government in working out an over-all plan to try to control the water from these watersheds in such a way that the problem will be solved.

The problem in the past has been this. While the federal government has been willing to assist and has contributed to a great number of projects, the assistance has been based or hypothecated upon the ability of the local municipality to contribute its

share. They have offered to the province a series of agreements under which the rural municipality and the province share half the cost of construction of the project, and the federal government assumes the other half. But unless the local municipality can put up its share, then of course all the rest of the moneys which are contingent upon that share being forthcoming do not come through.

We have therefore been slowly coming to the realization that if we are going to solve our flooding problem in that part of the province—and I think this statement holds true for many other parts of my province—that job must be done. It will be a big scale job. It will require excellent engineering and large expenditures, but it will pay big dividends, when we stop to consider what is lost in the way of crops and soil erosion each spring when the waters go out of control, as has happened so many times in the last few years.

It has happened in the constituency which I represent. It has happened on the Portage plains, in the interlake country and in many other parts of Manitoba. The loss in topsoil, in crops and in property damage has been tremendous in my province.

While this is of course a long-term project and it may take a considerable length of time to work out a national policy of conservation, in the meantime I hope this government will be willing, in co-operation with the province of Manitoba, to take some immediate steps to help reduce the losses which we may be facing even this spring on account of the unusually heavy snowfall.

(Translation):

Mr. J. O. Gour (Russell): Mr. Speaker, I am happy to take part in this debate which I consider very important to the future welfare of the electors of the county I have the honour to represent in this house, and of all Canadians as well.

It is not the first time I call the attention of this house on this question, but I think it is such an important matter that I never miss an opportunity to speak on the subject.

Since Providence has been good enough to endow our country with all kinds of resources, our duty is to develop, protect and improve these resources. Our deserving Prime Minister (Mr. St. Laurent) having been good enough to give us such a brilliant and active Minister of Northern Affairs and National Resources (Mr. Lesage), it is our duty to support him and to acquaint him with our wishes.

For my part, I wish that the Nation river project, which was prepared several years ago, would be undertaken. I have a plan which is already drawn up, and I would be glad to submit a copy of that plan to the house, to the minister. I will read the different parts I would like to put on the official record.

(Text):

Chapter 1

Location and Boundaries

The watershed of the South Nation river is an area of 1,511 square miles lying between the cities of Ottawa and Hawkesbury on the river Ottawa and Brockville on the river St. Lawrence. In shape it may be likened to a flattened triangle with its apex near Gloucester station, six miles south of Ottawa and the long side, or base, running northeast from near Brockville to a point near Vankleek Hill, Southwest of Hawkesbury. On the southeast and for a short distance on the southwest the South Nation watershed is bounded by that of the St. Lawrence. On the north, it adjoins the watershed of the Ottawa and on the west the watershed of the Rideau, whose tributary, Kemptville creek rises within ten miles of the St. Lawrence, north of Brockville.

A watershed has been defined as the high ground separating two river systems. Taken in this literal sense it becomes only a boundary line but the term "watershed" is commonly used also to describe the area which is drained by a river and its tributaries. It is in this broader sense that the term is used in this report and, throughout the report, the terms watershed, drainage area, drainage basin and drainage unit are used interchangeably.

As there are no doubt many others who will want to speak on this important subject, I shall leave off further discussion of this important chapter 1. I will ask that this important subject be given consideration and that everything possible be done for the conservation of the soil and the power resources. I should like to have the minister, when he has the opportunity to do so, to look into the matter.

(Translation):

As I said just now in English, the watershed of the southern branch of the Nation river covers an area of 1,511 square miles.

There are neither cities nor towns of any importance in this watershed, but a number of fine, prosperous villages that have been incorporated as municipalities, among them Winchester, Chesterville, Casselman, Finch and Maxville. There are also several villages that have not been incorporated as municipalities, of which Spencerville, South Mountain, Chrysler, Metcalfe, Moose Creek, Limoges, Russell and Bourget, are the most important.

We can therefore see that this watershed really comprises a rural area in Ontario.

I am speaking of digging, diking, etc., all urgent and necessary works, because they would improve the position of the twelve municipalities: Matilda, Mounta, Winchester, Edwardsburg, Augusta, Finch, Cambridge, Plantagenet South, Alfred, Plantagenet North, Chesterville and Casselman.

Floods in the southern watershed of the Nation river constitute a serious threat to the very existence of the people of all the rural municipalities in that district, and are detrimental to the economy of all the neighbouring commercial centres. It goes without saying that the periodical destruction of crops, roads, bridges and the washing away of thousands of tons of the best arable soil in one section of the province constitute a loss for the whole province. Those large losses are unfortunately not rare occurrences; on the contrary, they have been felt 30 times in the past 37 years, from 1918 to 1955 inclusive and in six cases they happened twice during the same year.

The floods of 1938 and 1955, which were the worst of all, indicate that this menace is getting worse and worse all the time.

The worst floods happen more particularly in two districts, the Brinston area, up the river from Chesterville which comprises the fertile lands of Winchester, Matilda and Mountain townships and the lake Cobb area, including the lowlands along the river from Lemieux to Plantagenet. In the Brinston district, the 1938 flood covered an area of 24 square miles; the water rose as high as nine feet and many houses had from two to three feet of water on the ground floor. The 1947 flood was quite as serious.

Floods caused by swelling rivers in the Spring cause much trouble, havoc and distress. Farmers are doing all they can to face the threat; they put livestock and equipment in attics or other safe shelters, and put off seeding until the water has withdrawn. At times, as many as nine days and a half have elapsed between the time the river overflowed its banks and finally receded.

Those floods happen not only during the spring thaws but often in summer after heavy rains. As a matter of fact those rains cause the heaviest damage, for at such times full crops are washed away or rot under the water. Cases have been reported where the same farmer had his crops destroyed four years in a row.

I am glad that the minister concerned has agreed to accept a copy of the report, and I assure him that I am prepared at all times to supply him with any information regarding that project.

The cost of the project is not particularly high, being somewhat over two million dollars, to be shared by the province and the federal government. Since this work would be carried out in an agricultural district the municipalities concerned are in no position to meet any part of the cost. However, irrigation works are being carried out everywhere in Canada, the cost being met partly by the federal government, partly by the provincial governments. In the case of the project I just mentioned, the flooding of thousands of acres of fertile land could be prevented. Moreover we would be able to restock the Nation river with fish such as those our forebears caught and which they so enjoyed talking about. I will return to this later, and I shall refer to the three dams which existed in former days and which belonged to private individuals who had built sawmills and flour mills on them. Those mills later disappeared because of a lack of forest cover, of neglect and lack of funds.

Indeed, Mr. Speaker, if this project of mine were carried out, the river would stretch over 90 miles that could easily be stocked with various kinds of fish, to the delight of tourists and residents of the twelve municipalities I have mentioned. Moreover, this would also provide a supply of drinking water for all the herds on the numerous riverside farms, as about thirty small streams, such as the smaller and greater Castor rivers, the Horse creek and several others, flow into the Nation river. These rivers, which run through several villages, would provide a reservoir of a fairly high level that would insure adequate year round protection against fire.

You might be surprised to learn that, last summer my home town of Casselman voted $25,000 for the construction of a dam across the Nation river, to raise the level of the water in order to pump it back more readily into mains, to insure protection against fire.

That would enable us to have irrigation ditches in different parts and in many cases to double the crops of our farmers. It is not only in the west that irrigation would be a good thing. We too in the east, in the province of Ontario, would like to have irrigation just as much as the western provinces. However I do not want to impose upon the kindness of the house and have it listen to speeches on that subject for days and weeks. I realize that the government, which manages our country so well, will always be prepared to undertake projects

which are to the benefit of all Canadians and will try to solve that problem when it has enough revenue to do so.

But I want to call the attention of the house on that point and say that in the east we maintain that the government should undertake an irrigation scheme in order to help our farmers who have to buy from the west most of the grain they need to feed their cattle. Yes, Mr. Speaker, our farmers and the people of our villages have to spend thousands and thousands of dollars in order to get water.

I know farmers in my county who spent more than $2,000 to provide their cattle with an adequate supply of water. The same farmers buy grain from the west at market price, and very often pay $20 a ton for transportation only, in addition to storage fees. They sell their products at market price, as the western farmers do, but they do not come here and ask parliament to guarantee bank loans on their farm stored crops, nor to vote a $65 million bonus as the one we gave a few years ago to the western farmers. But they work just the same 365 days a year and they know that the province of Ontario contributes 45 per cent of the federal budget. I trust that the Minister of Northern Affairs and National Resources will take my request into serious consideration.

There is also the Ottawa river which, on a distance of 40 miles approximately, borders on the northern part of the county of Russell, that is from Rockcliffe to Wendover. I shall limit my remarks to the part of that river which flows through the county of Russell. Cottage and motel owners are getting discouraged because they are losing customers owing to the pollution of the Ottawa river water by sewage and waste material from Ottawa and other cities, and from industries. I believe the provinces of Ontario and Quebec should join the federal government in an attempt to solve the problem of purification and restocking of the Ottawa river. The fish have been destroyed by polluted water. This keeps away the tourists and means a loss to all cottage owners, as their properties decrease in value.

I would chide myself if I failed to mention the urgent need of accelerating reforestation work. May I be permitted to relate what Russell county has done in this field. We began retimbering 28 years ago in what we call the Larose stand. Now I know that the federal government is anxious to provide all the help needed without however encroaching upon provincial rights. Therefore the minister should try and get the Ontario government more interested. The Larose forest entails rather heavy expenses for the united counties of Prescott and Russell who buy land and pay wages to an officer, while the province is taking care of it as far as planting and maintenance are concerned.

I am pleased to congratulate all the personnel working on that project. They are wonderful workers and our agronomist is an efficient and intelligent man. They are doing a very good job. I give credit to the provincial government in this respect. This forest is a provincial property, so that the counties have to pay for the lands, and municipalities are losing tax revenue.

However, we are satisfied to carry on, because it will profit the future generation. At present, the Larose forest has an area of 23,500 acres, planted with 12 million trees. We mean to increase it to 25 million trees, that is why I am urging federal government assistance.

I have been interested in reforestation for the past 40 years. I started to plant trees on my farms in 1931, and I have had over 250,000 trees planted. What discourages people who want to do the same thing is the fact that at present the Ontario government is selling trees for $10 to $14 per thousand. In addition, one must pay municipal taxes and fire insurance. If the provincial government refuses to supply trees free of charge, could not the federal government pay for them? I would also ask that taxes be payable only when the trees are cut, and that the services of provincial government experts be provided to tell us which trees should be planted. I would also ask that fire insurance premiums be reasonably priced so that farmers may be encouraged to retimber all those stretches of land unsuited to agriculture. And we have a great many left. There are a great many of these stretches in Russell. It would be far better if they were covered with trees. In this way we would be providing wealth for future generations.

While travelling through Europe, a few years ago, I made it a point to inquire about methods of reforestation in the various countries I visited. The method I have just described was explained to me. I should add that when a tree is to be cut an expert from the central government designates the particular tree to be felled, and at the same time orders its immediate replacement by a small tree or trees suited to the ground. Then, and then only does the owner pay taxes and fire insurance premiums.

In conclusion, Mr. Speaker, may I suggest that afforestation is essential to the economy

of Canada and that the sooner we set ourselves to this task the better it will be for all Canadians. I am pleased to tell the house —in fact, both the opposition side and the government side of the house share this opinion—that the prime minister's choice was perfect when he picked so active and so qualified a man as the Minister of Northern Affairs and National Resources to direct the work of that department. All Canada will benefit from his great capacity.

Mr. Speaker, it is important to hasten the carrying out of this project. I therefore hope that the provinces will better understand their duty in that respect and that, in the near future, afforestation will be practised on a larger scale. This will also bring about an increase of animal life and attract greater numbers of American tourists who live close to our border.

(*Text*):

Mr. James A. McBain (Elgin): Mr. Speaker, the resolution in the name of the hon. member for Kootenay West calls for the establishment of a nation-wide policy on soil, forest and water conservation and land use for Canada. I feel that most of us thoroughly agree in principle at least with the hon. member's resolution.

Therefore let us first make an observation on soil. I think many of us have oftentimes picked up a lump of soil in our hands, and we who are farmers have sifted that soil through our fingers and felt its body, its texture and its availability to absorb water. Yes, a farmer will sniff at it and almost taste it.

No treasure on earth is as valuable as a simple lump of soil. It is the very core of life from which all organisms emerge and it is the basis of the prosperity of all nations. A lump of soil absorbs water and solar energy and harbours a swarm of living things. A tiny seed finds in it the heat and moisture necessary to germinate. Here too is a storehouse of food from which tiny rootlets derive nourishment that is passed along to stems, leaves and fruit; all this from a single lump of soil. However, the soil can only give forth what it possesses. If rich in nutritive elements it can produce an abundance of food for man or beast. Lacking such reserves it can only grow weak plants and poor crops.

Originally nature had provided in the arable lands the nutriment required to grow a good crop, but man through lack of foresight to conserve depleted nature's storehouse, slowly in some parts of the world, in others very rapidly. Where soils have been depleted in organic material through mismanagement or other contributing conditions, science has intervened. It has provided improved methods of tillage. With chemical fertilizers it adds to the soil required quantities of the food it lacks. It has even developed custom-made seeds, brimfull of strength and vitality which enclose all the desirable characteristics of species, variety, productivity, early maturing, rapidity of growth and resistance to disease.

How important is a tree? The answer to this question is wide and varied. I would just like to quote an article that was written at the beginning of the 18th century, as follows:

> The state is like a tree, the roots are agriculture, the trunk is the population, the branches are industry, the leaves are commerce and the arts; it is from the roots that the tree draws the nourishing sap . . . and it is to the roots that a remedy must be applied if the tree is not to perish.

In conservation in Canada the federal government should be giving direction and leadership to the production and growing of that tree so it will be worthy of being conserved. The roots of the tree are our provincial governments, which over the years have spent many thousands of dollars promoting conservation at the provincial level. The trunk and branches could be the population and industry, who stand to benefit from a sound tree with firm roots.

Governments in the past and present show great interest in our natural resources, but are they too late? They become concerned not in the relatively simple matter of protecting, developing and using the resources, but with the costly and almost hopeless task of restoring, rebuilding or trying to recreate or re-establish something that was in perfect condition before they became interested.

Conservation of our resources, including our soil, forests and water, should be a challenge for our governments at all levels. It should be a challenge to every individual in this great country of ours. I believe it is time for all of us to accept this challenge to prevent the waste of those things that represent our very lifeblood.

At the time of the birth of Christ it has been estimated that there were presumably about 300 million people on earth. Since then the population has doubled on three successive occasions. It took 1,650 years for the first doubling; 200 years for the second doubling, and only 100 years for the most recent. By the end of this century, barring unforeseen casualties, the world population will have again doubled. Should the population reach the 5 billion mark by the end of the century there will then be only an average of half an acre of ground per person. If

these facts were really understood there would be no need for us to talk about and urge the necessity for conservation; we would be hard at it.

The virgin forest lands of this continent have been sadly depleted. In many areas we lose to fire, insects, disease and harvesting an amount in excess of the total annual growth. Forest management to maintain a sustained yield is still an objective to be achieved. In Canada an average of 5,000 fires a year rage across our forest lands burning in their path enough timber to build 85,000 five-room houses.

Forest fire protection in the Scandinavian country of Sweden is so complete that it is cheaper to insure a woodland property than it is to insure an industrial concern. To us living in Canada, where no insurance company would give consideration to covering growing timber, this fact is little short of incredible.

The demand for our forest products is terrific. For example, a single Sunday edition of the New York *Times* uses the product of from 80 to 100 acres of forest. I think we should also remember that it takes 60 to 80 years to grow a black spruce to a size ready for economical pulpwood harvesting.

I should like to conclude by quoting an poem entitled "Dust Bowl" which appeared in *Nature Magazine* of December, 1954. I hope that we in Canada will never reach the condition described here. This reads:

> Men now exhume dead roads from tragic dust,
> That devastation's dry wind-blowings spanned,
> Where nature's grim revenge rides every gust,
> For man's abuse of its long-tortured land.
> Too late, bulldozers seek to rectify
> The checks and balances where man has erred,
> Too late, steam shovels fret dust-heavy sky,
> For nature—it seems—has the final word.
> Now man must face destruction, he designed,
> While lord-of-all-creation's worthy foe,
> Will blow soil-desiccation through his mind,
> Exacting punishment with every blow.
> A noble servant—nature—but beware,
> Contempt will draw a monster from its lair.

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I have been wondering all this evening whether I was going to get on. Possibly that may have been the result of something affecting Mr. Speaker. Possibly I should call in an eye specialist. Since the last speaker was not an hon. member on this side of the house I thought possibly I might follow. Perhaps I should blame my mother for this, because apparently she did not make me quite big enough or tall enough.

First I should like to congratulate the hon. members who have preceded me in this debate upon their sincere presentations in the cause of conservation. It is evident that more and more people are today conscious of the need for conserving our natural resources. The majority of hon. members who have taken part in this debate have dealt with conservation as it affects their ridings, with the exception of one, the hon. member for Charlevoix (Mr. Maltais). He, in my opinion, is a national conservationist. He included everything in his amendment with one exception, the wildlife resources, which to me and the people in my country are very important. If I wished to amend the amendment I would include wildlife, but I do not think I shall move any subamendment at this time.

The question of conservation is tied up with the privilege of living in Canada. Durward Allen said in his book "Our Wild Life Legacy":

> The rich resources of this land have given us our national standing and character, but we have reached a point where an end to much of this common property is in sight. The question is whether we will use it wisely and in perpetuity or use it up and be done with it. It is clear that natural advantage lies in one course although as individuals we might profit by the other.

Other speakers in this debate have covered the many and varied subjects of conservation, such as forestry, mining, soil erosion, agriculture, water, etc. I should like to deal with some aspects of the subject in regard to forests and wildlife, two of our renewable resources.

We are aware that during the early years in both the United States and Canada our forests were greatly depleted and our wildlife was killed off with no regard for future generations. In recent years it has become evident that if we are to continue to supply the demand for our forest products, a more efficient utilization of our forests is necessary. The federal government has been aware of the need for co-operation with the provinces in this field, and as a result the forestry act of 1949 was passed. This act provides for assistance to the provinces in the fields of forest inventories, reforestation, infestation of forests, etc. In this year's estimates you will find that $900,000 is being contributed for forest inventories. An additional $225,000 is being contributed for reforestation. There is also an amount of $650,000, which represents the federal contribution to combat spruce budworm in the province of New Brunswick.

Under the forestry branch of the Department of Northern Affairs and National Resources a great deal has been done in the field of forest research. It has also carried on research in forest products in the Vancouver and Ottawa laboratories. The maintenance of the operations of this important branch of government will cost $2½ million this year. These figures, along with the contributions I have mentioned, total in

the neighbourhood of $4½ million. It is quite obvious, therefore, that this government is aware of the need for forest conservation and is playing its part. I might add that responsibilities in the field of conservation should not be borne only by governments alone but also by the lumber industry and those individuals who derive pleasure and recreation from the great forests of Canada.

I should like to deal briefly with the subject of forest conservation as it affects the Northwest Territories. For a number of years the Slave river has produced spruce lumber for our building requirements and the logging and timber requirements of our mining industry, but it has reached the point where in two years the supply along this river will have been exhausted. The natural resources of the Northwest Territories are a federal responsibility, and I would respectfully suggest to the Minister of Northern Affairs and National Resources that an immediate survey be carried out by the forestry branch of his department to ascertain whether natural reforestation in that area is possible and if not, what methods of reforestation would be necessary to assure the ever-increasing mining industry and the communities of the north of a continued supply of these forest products.

I should also like to point out to the minister the need for a sound forest management policy in view of the new lumber industry which has been set up in the Wood Buffalo park.

Now I should like to make a few brief remarks in regard to the conservation of wildlife. We have only to look back not too many years when hundreds of thousands of buffalo roamed the western plains. In the matter of a few short years after the building of the railroads to the west, the buffalo were on the verge of extinction. A lessening in the numbers of these animals was bound to come because the people of that era gave no heed to conservation, and their disappearance was sudden. Many hardships were encountered by the people living in the west at that time. Through government action since that time we have been sustaining herds of buffalo in some of our national parks, one of which is the Wood Buffalo park, which lies partly in my riding. The herd in this area has increased from approximately 650 animals in 1890 to between 15,000 and 16,000 at the present time.

Another example of what could happen when conservation is thrown to the winds is the case of the whooping crane. Today in North America it is believed there are only 27 of these birds left. I am happy to say that the majority of these birds nest in my constituency in the Northwest Territories. Because of regulations in both the United States and Canada forbidding the shooting of these whooping cranes it is hoped that in the future their numbers will increase.

From the sentimental and recreational point of view we in Canada through our national parks and provincial game preserves, along with projects carried on by private organizations and individuals such as Ducks Unlimited and the Jack Miner bird sanctuary, are attempting to preserve some our our truly Canadian species of wildlife. I would like at this time to commend these private organizations for the active part they are playing in the conservation program, both in the United States and Canada.

Nineteen federal-provincial conferences have been held since 1922 on the subject of wildlife conservation. I understand that the twentieth meeting will take place some time in June of this year. I do not intend to go fully into the matter of the part played by the government in the conservation of wildlife, but I should like to say that the wildlife conservation branch of the Department of Northern Affairs and National Resources is co-operating fully with provincial and private agencies in the broad aspects of wildlife research and management.

An example of this co-operation is the case of migratory game birds. The Canadian wildlife service, along with the United States fish and wildlife service, some provincial governments, Ducks Unlimited and other private organizations, conducts surveys each year to determine the current status of our migratory birds, particularly ducks and geese. Joint reports are prepared annually which provide information upon which to base regulations governing their shooting. Many other surveys of other species of wildlife are made throughout Canada by this branch and the results of these surveys are made available to provincial governments and other interested parties.

At this point, Mr. Speaker, I intend to speak more specifically of conservation as it affects the Northwest Territories. To me conservation is the intelligent use of our natural resources in the Northwest Territories, and in that part of the country conservation is also an economic problem. A large section of our population, and I speak of the Indians and Eskimos particularly, derive their living from the trapping of fur-bearing animals, and they also derive a large portion of their food from our wildlife resources.

In order to give an idea of what has happened to the trapping industry during recent years I should like to quote a few figures. In 1943-44 the total number of beaver pelts

exported from the Northwest Territories was 13,535. In 1954-55 the figure was 11,342. The total value in 1943-44 was $463,574. The total value in 1954-55 was $168,996. Then let us take the case of ermine. I doubt very much if there are very many here who know what ermine is. There are a few from the northern part of the country who know, but some of our city slickers would not know the difference between an ermine and a rabbit. As far as ermine or weasel—now you all know—is concerned, in 1943-44 9,790 ermine were taken and exported. In 1954-55 4,852 were exported. The value in 1943-44 was $13,706. Last year the value was $4,124.

Then we come to mink. In 1943-44 the total export was 9,903 skins. In 1954-55 the figure was 3,463 skins, one-third of the number taken in 1943-44. Some people will say, and I have heard this argument before, that the number of furs taken is dependent on the price paid. Well, as I have just said, in 1943-44 some 9,903 mink were taken and the value at that time was $21.25 each. Last year when 3,463 were taken the value was $23.10 each, practically the same.

What has happened? The numbers of fur-bearing animals in my part of the country are being depleted. We will go on to muskrat, the main source of livelihood for my people down the Mackenzie river. In 1943-44 there were 281,255 muskrats taken. In 1948-49 there were 724,432 taken. Last year there were 344,507. Let me deal with the difference in revenue between 1943 and last year with respect to rats, and I am not referring to the rats that a member of the C.C.F. party spoke about the other day. I am talking about muskrats. The value in 1943-44 was $528,759 compared with $248,090 last year.

Then let us take white fox. For as long as I can remember white fox has been the commodity from which the Eskimo has derived his cash. In 1943-44 there were 30,420 white fox skins exported. Last year 6,877 white fox were exported. To me these figures indicate an alarming decrease not only in the number of furs taken but in the revenue to the people of my part of the country.

I will leave fur for one minute. Economically speaking, fur is that industry which supplies the native with cash in order to buy the white man's food to which he has become accustomed over the years. But now I will speak of caribou. Caribou is and has been the main source of food for the native people. I should like to refer to a survey made by Dr. Banfield of the Canadian wildlife service in 1948. In that survey Dr. Banfield estimated that the total population of caribou at that time was 658,000. He also estimated the total decrease per year taking into consideration on the one hand the calf crop and on the other hand the decrease brought about by hunting, what the wolves take, natural disease and so on. At that time he said our caribou population was decreasing by 50,000 animals a year.

I and a lot of other people in my constituency said, "That guy is nuts." As a matter of fact, this is a controversial subject in my constituency. There are a great number of people in my constituency who say these experts are completely off their rockers. There are other people in my constituency who agree with the experts. Now, I am a layman.

Mr. Harris: No, no.

Mr. Hardie: I do not know whom I should listen to, whether I should listen to the people in my constituency who say that the experts are crazy or whether I should listen to the experts. But I will say one thing. Last year the same department, namely the Department of Northern Affairs and National Resources, through its Canadian wildlife service undertook a survey of caribou. What did they find?

An hon. Member: Caribou.

Mr. Hardie: My dear friend, I am sorry to say they did not find caribou in the numbers in which they expected to find them. What did they find?

An hon. Member: Muskrat.

Mr. Hardie: The hon. member for Lethbridge (Mr. Blackmore) does not know anything else but wheat. If he will just shut his trap I will continue.

Mr. Blackmore: Mr. Speaker, the hon. member for Lethbridge did not say a word.

Mr. Hardie: If the hon. member for Lethbridge did not say anything I am very sorry for the remark I made, and I will withdraw it. It must have been another wheat farmer from Alberta.

An hon. Member: Was it the hon. member for Cariboo?

Mr. Hardie: What happened? They came out, and as a result of their surveys last year they said the caribou population had been depleted to from 300,000 to 350,000 animals, thus leaving us in the north and your Eskimo and Indian friends 300,000 caribou as of last spring. Dr. Banfield's report, which we said was crazy—I said it; I agreed with many people—stated that the caribou were diminishing or were being depleted by 50,000 animals a year. After last year's survey—50,000 a year for six years,

300,000—we find that is practically what they are missing now. We now have 300,000 caribou left in the Northwest Territories.

To my friends on all sides of this house this may seem to be nothing. They started feeding the natives beefsteak. I want to tell my hon. friends something. This case is not the same as that of the buffalo. When the buffalo disappeared from the western plains the prairie farmer brought in livestock that could live off the same grazing grounds as those on which the buffalo had been feeding. I will defy the Minister of Agriculture or anybody else to feed cattle on the same grazing grounds the caribou have been feeding on this last century.

This is an important matter. I am appealing to the Minister of Northern Affairs and National Resources to do something about it. I know what people will say. As a matter of fact, I have heard officials of the department say it. They will say that we have at Tuktoyaktuk a reindeer herd that the government brought in 30 years ago. We spent over $1 million on those reindeer. By the time they arrived at Tuktoyaktuk there were 3,600 of them. Twenty or more years later, how many reindeer have we at Tuktoyaktuk? We have 6,500.

Mr. Knowles: Plus Rudolph.

Mr. Hardie: I will tell you this. Of all hon. members to speak of Rudolph, I think the hon. member has the reddest nose. As I was saying, we have spent over $1 million on reindeer. We have not quite doubled the numbers of those reindeer in over 20 years. I must admit that we have supplied meat to some of the people up there at anything from 65 to 75 cents a pound. We might as well have been flying in beef.

Then down in Wood Buffalo park we have the buffalo which I mentioned some time ago. We have increased the population from 650 in 1890 to from 15,000 to 16,000 today. We have also slaughtered each year a certain number of those buffalo and we have sold them to the Hudson's Bay Company, who sold them back to us. That is fine and dandy; it is O.K. with me. But last year what did they do? I am not a farmer, so I thought I would bring up this matter in the estimates committee last year. They sold buffalo meat to Canada Packers and to Burns and Company for 5 cents a pound, f.o.b. Fort Smith. But the same department sold the same buffalo meat to the Department of Indian Affairs for 35 cents a pound for distribution as relief rations to the Indians. When I brought this matter before the estimates committee last year I thought the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher), a real cattleman, would be sure to nab this point, but he just let it go by.

To be serious about this matter, Mr. Speaker, may I say that something must be done. At the rate caribou have been depleting in numbers, six years from now there will not be one living caribou in the Northwest Territories. This is the food of the large majority of the people who live in that country. To the Minister of Northern Affairs and National Resources I suggest that he really get down on his knees before the Minister of Finance—

Some hon. Members: Oh, oh.

Mr. Hees: That I must see.

Mr. Knowles: Now who has the red nose?

Mr. Hardie: —and do something during this period about restricting the number of caribou that are taken each year. If the natives do not take those caribou—and of course if we are to follow sound conservation policies we shall be obliged to restrict the number of caribou they take—something must be done to feed these people. But when I look at the estimates this year I find they are less than they were last year. That may be all right, but I have not found that there has been any increase to provide these people with meat. Something must be done, Mr. Speaker.

Now I shall leave buffalo for a minute and come back to the reindeer situation. We brought in these reindeer, and the idea was that we would do so in order to provide the starving people with meat. After we brought in the reindeer the government decided that it would be a fine idea to distribute these reindeer to certain Eskimo families who would herd them and live off them. At the slaughtering season, in August or September, when these reindeer were fat they would move them in to the reindeer station and slaughter them and sell the meat to the Eskimos, the Hudson's Bay Company or any other white people. That was fine. It sounded good. As a matter of fact I think I even heard in the estimates committee talk about extending this idea to other parts of the country, putting more reindeer in other parts of the Northwest Territories. Well, herding reindeer is not the same as ranching cattle. In so far as cattle are concerned, you put up a fence and the cattle stay inside. The reindeer are roving over 549,000 square miles of country.

These Eskimos are the sort of people, like you and me, who like to visit with their friends once in a while. Put yourselves in their position. They follow a herd of these reindeer around the country. They say the

reindeer is okay and they eat it, but once in a while they like to see something other than reindeer. They say to themselves, let us go and visit Joe Kuhali, 100 miles away. It is Easter time, and that is a good time to go away. They go away and leave the reindeer. When they come back where are the reindeer? They start running around and finally get half of them back, but half of them are gone. Do you know where they have gone? The caribou move through the country in a wild state during the migration period, and the reindeer follow suit. Reindeer have been shot at Muskox lake, 1,500 miles away from the reindeer station.

As a matter of fact I had a trapper say to me, "A funny thing, I shot a caribou yesterday and this caribou had half its ear cut off; I never saw that before." He said it was cut; there was no fooling about it. Sometimes at the reindeer station they cut half an ear to mark a certain animal for a certain band in which they put him. This reminds me of a story about the difference between caribou and reindeer. A few years back there was an Indian, I think his name was Joe Blondin, who was up around Fort Normandin and Aklavik, and he shot what he thought was a caribou. What happened? The police brought him in because he had shot a reindeer, not a caribou.

Mr. Knowles: It was not Tucker?

Mr. Tucker: You had better not go up there.

Mr. Hardie: You took the words right out of my mouth, my friend. What happened? They brought this man in and charged him with shooting a reindeer, a protected animal. Of course they held court and the crown prosecutor was there. The Indian defended himself. The crown prosecutor said, "Now, there must be some difference between a reindeer and a caribou." Of course he did not know. They called in a scientist. The scientist said that so far as he was aware the only difference between a caribou and a reindeer—I do not know which way it was—was that the caribou's tooth was so many millimeters longer than the reindeer or vice versa. In any event, this man was expected to go out into the wild, open up this animal's jaw and measure the teeth. However, it happened we had a very fair magistrate at that time and this man was set free.

Well, Mr. Speaker, I would say to this house that caribou mean no more to the average person in Canada, and I could talk until I am blue in the face, than the buffalo did before the railroads went west. But in my part of the country they are the very lifeblood. We eat this animal. Something has to be done. I am not a scientist, and I do not know the difference between a tooth of one animal and another. I cannot give you the answers but I am sure the department of northern affairs, through its Canadian wildlife service, knows the answer. I am hoping that the Northwest Territories administration, which also comes under that department, will do something about the recommendations and the results of the surveys that have been conducted by the Canadian wildlife service.

I should also like to say that we are trying to educate our people in that part of the country in conservation measures. There is one book I would suggest should be a part of that curriculum, a book written by Deward Allen entitled "Our Wild Life Legacy". It should be not only in the grade schools of that country but also in the high schools. It should be put into the trapper's associations, because this book will tell those people more about conservation that I could ever tell them.

In closing, Mr. Speaker, I should like to quote a paragraph I once read. I do not know the name of the author, but perhaps someone may know who he is after I have read it. He is the person who should be credited with it. He says:

> Because man has made hash of nature's system of checks and balances, he finds he must go to a lot of trouble from time to time to straighten out his mishandling of the resources given him by nature. But he seems to go about it the hard way, making the same mistakes and trying the same remedies again and again. He plunders the resources, then works overtime to restore them or find a substitute.

I hope that the federal government, who are responsible for the wildlife resources of the Northwest Territories, will have learned from the experience of the United States and all the other provinces of Canada, and will not make the same mistakes over again.

I wish to adjourn the debate.

Mr. Speaker: Unfortunately the hon. member's time is exhausted.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow and Wednesday we shall take the following items in the following order: first, the third reading of the wheat bills, beginning with Bill No. 82 and then Bill No. 83; then the motions to set

up committees, beginning with that on estimates, then that with respect to research, then that with respect to criminal law, and then the federal district commission.

There is a notice of a further committee on the order paper with respect to railways and shipping, which will appear in *Votes and Proceedings* tomorrow. Then we shall take the resolution with respect to the industrial development bank, the Public Service Superannuation Act, and the Small Loans Act.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

BUTTER STOCKS

Question No. 29—**Mr. Blair:**

1. What were total stocks of butter in Canada on January 1, of each of the years 1952, 1953, 1954, 1955, 1956?

2. What were government-owned stocks of butter on January 1, of each of the years 1952, 1953, 1954, 1955, 1956?

Answer by: **Mr. Gardiner:**

1.

Year	Pounds
1952	44,820,000
1953	54,548,000
1954	71,192,000
1955	91,025,000
1956	100,030,000

(As reported by dominion bureau of statistics.)

2.

1952	10,271,000
1953	36,263.000
1954	49,184,000
1955	73,412,000
1956	81,215,000

(From records of agricultural prices support board.)

CANADIAN NATIONAL RAILWAYS—FREIGHT CARS

Question No. 69—**Mr. Knowles:**

1. Has the Canadian National Railways placed orders for an additional supply of (a) box cars; (b) freight cars of other types?

2. If so, with what firms have such orders been placed, and what are the numbers of each type of car ordered from each such firm?

3. When is delivery of such cars expected?

4. Is the Canadian National Railways building any box cars or other types of freight cars in its own shops? If so, how many are being built.

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1. (a) Yes; (b) Yes.

2. Freight equipment was ordered in 1955 as follows:

50-ton box cars—Eastern Car Company (1,700); Canadian Car and Foundry (1,400); National Steel Car Corp. (650).

70-ton gondola cars—Canadian Car and Foundry (200); Eastern Car Company (100).

70-ton covered hopper cars—Marine Industries Ltd. (200).

Freight refrigerator cars—National Steel Car Corp. (425).

50-ton flat cars—Canadian Car and Foundry (100).

Automobile transporter cars—Canadian Car and Foundry (25).

70-ton ore cars—Marine Industries Ltd. (30).

3. Some of the equipment has already been delivered, and delivery of the remainder will take place throughout 1956.

4. No.

QUEEN ELIZABETH HOTEL—ARCHITECTURAL FIRMS EMPLOYED

Question No. 82—**Mr. Hamilton (Notre Dame de Grace):**

1. What architectural firms have been retained in connection with the design and construction of the Queen Elizabeth hotel in Montreal?

2. On what date were such firms first retained?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1 and 2. The design and construction of the Queen Elizabeth hotel are and have been under the direction of the chief architect of the Canadian National Railways in consultation with the firm of Holabird and Root and Burgee and Associates, Chicago, which firm was retained as consultant on November 15, 1946, in connection with the development of the Montreal terminal area. No other architectural firms have been retained.

CIVILIAN DISCHARGE STATISTICS, NATIONAL DEFENCE

Question No. 89—**Mr. Dinsdale:**

How many civilian employees age 65 or over have been discharged by the Department of National Defence each month during the past year, at each of the military camps in Canada?

Answer by: **Mr. Campney:**

Questions

CIVILIAN EMPLOYEES AGE 65 OR OVER WHOSE SERVICES WERE TERMINATED AT MILITARY CAMPS IN 1955.

—	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Valcartier	.....	.....	1	.....	1	.....	.....	.....	.....	.....	.....	.....	2
Petawawa	.....	.....	.....	.....	.....	.....	.....	9	1	4	1	.....	15
Barriefield	7	1	1	1	.....	1	2	1	.....	1	.....	1	16
Picton	1	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	2
Borden	.....	.....	.....	.....	.....	.....	3	1	4	2	2	1	13
Shilo	.....	.....	.....	.....	1	1	1	3	2	2	1	.....	11
Churchill	.....	.....	.....	.....	.....	4	.....	5	.....	.....	2	.....	11
Dundurn	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
Chilliwack	.....	.....	.....	.....	.....	.....	.....	2	1	1	.....	1	5
Wainwright	.....	.....	.....	.....	2	1	.....	.....	2	.....	.....	.....	5
Gagetown	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0
	9	1	2	1	4	7	6	22	10	10	6	3	81

BUTTER STOCKS

Question No. 112—**Mr. Fraser (Peterborough):**

What was the total amount of butter held by the Department of Agriculture on January 31, 1956?

Answer by: **Mr. Gardiner:**

The agricultural prices support board held 72,826,889 pounds of butter on January 31, 1956.

BUTTER DISTRIBUTION TO CHARITABLE INSTITUTIONS

Question No. 117—**Mr. Maltais:**

1. What quantity of butter has been distributed to charitable institutions in Canada under the assistance policy of the Department of Agriculture since February, 1955?
2. What quantity of butter has been distributed in the province of Quebec?
3. At what average price was this butter distributed throughout Canada in the summer of 1955?

Answer by: **Mr. Gardiner:**

1. Up to February 3, 1956—6,309,807 pounds.
2. 2,953,549 pounds.
3. Each institution has received a discount of 21 cents per pound on butter distributed under this program.

MARSHLAND REHABILITATION—FEDERAL EXPENDITURES

Question No. 118—**Mr. Brooks:**

1. How much money has been spent by the federal government under the Maritime Marshland Rehabilitation Act, in each of the maritime provinces in the years 1952, 1953, 1954, 1955?
2. What is the total amount spent up to January 1, 1956 under this act?

Answer by: **Mr. Gardiner:**

1.

Fiscal Year	Prince Edward Island	Nova Scotia	New Brunswick
1952-53	$114.04	$ 867,997.47	$ 777,453.58
1953-54	185.30	986,997.03	1,006,011.10
1954-55	87.52	876,749.77	670,611.75
1955-56 to Dec. 31/55		935,915.30	662,144.14
	$386.86	$3,667,659.57	$3,116,220.57

2. Total amount spent up to January 1, 1956, under the Maritime Marshland Rehabilitation Act: $9,319,960.56.

BUTTER SALES TO INSTITUTIONS

Question No. 124—**Mr. Gauthier (Portneuf):**

1. How many pounds of butter were sold to institutions in each province since coming into force of this policy of the federal government?
2. What amount has been paid by such institutions in each of the provinces for this product?

Answer by: **Mr. Gardiner:**

1.

	pounds
Atlantic provinces	480,684
Quebec	2,953,549
Ontario	1,456,221
Prairie provinces	1,023,789
British Columbia, Yukon and Northwest Territories	395,564
Total sold to institutions at February 3, 1956	6,309,807

Questions

2. Institutions in all provinces have received a discount of 21 cents per pound on butter distributed under this program.

Note: The above figures for the Atlantic and prairie provinces are the actual totals for the areas with approximate estimates for individual provinces as follows:

	pounds
Newfoundland	5,850
Prince Edward Island	55,674
Nova Scotia	224,056
New Brunswick	195,104
Total Atlantic provinces	480,684
Manitoba	291,686
Saskatchewan	259,919
Alberta	472,184
Total prairie provinces	1,023,789

TRANSPORT—EXTENSION OF RAILWAY ACT TO WATER TRAFFIC

Question No. 151—**Mr. Barnett:**

1. Are there any instances where the board of transport commissioners has extended and applied the provisions of the Railway Act to traffic by water, as provided for by the present section 363 of the said act?

2. If so, to what companies, to what traffic carried by them, and between what points?

3. What instances of this application of the act are currently operative?

Answer by: **Mr. Marler:**

1. No.
2. See answer to No. 1.
3. See answer to No. 1.

OYSTER RESEARCH EXPENDITURES

Question No. 169—**Mr. Robichaud:**

1. What was the total amount spent by the fisheries research board for oyster research or culture, in each year from 1945 to 1955, inclusive?

2. What was the total amount spent in Gloucester county, New Brunswick, for oyster research or culture, in each year from 1945 to 1955, inclusive?

Answer by: **Mr. Sinclair:**

1 and 2. The fisheries research board is responsible for research and the Department of Fisheries for oyster culture or farming. Following information is provided on this basis:

Year	Research Board	Department Total for Maritimes	(b) New Brunswick
1944-45	(a)	$21,042	$ 640
1945-46	(a)	25,018	1,762
1946-47	(a)	24,309	810
1947-48	(a)	33,572	2,322
1948-49	$ 10,281	45,876	8,944
1949-50	11,010	56,657	8,567
1950-51	14,867	56,791	8,212
1951-52	14,387	54,279	8,613
1952-53	18,066	52,695	8,866
1953-54	16,570	54,236	8,918
1954-55	18,973	54,198	8,513

(a) Prior to 1948-49 expenditure was not segregated to show oyster research separately.

(b) Expenditure records are not maintained by counties. However, one only oyster farming station is operated in New Brunswick and it is located in Gloucester county.

OYSTER PRODUCTION, MARITIME PROVINCES

Question No. 170—**Mr. Robichaud:**

1. What was the total production of oysters in the maritime provinces in each year from 1945 to 1955, inclusive?

2. What was the total production of oysters in Gloucester county, New Brunswick, for each of the above years?

3. What was the landed value of oysters in Gloucester county, for each year from 1945 to 1955, inclusive?

Answer by: **Mr. Sinclair:**

1. Total landings, maritime provinces[1].

Year	'000 lbs.
1945	7,089
1946	8,014
1947	8,051
1948	11,432
1949	11,272
1950	10,684
1951	6,885
1952	7,891
1953	8,160
1954[2]	5,002
1955[2]	6,243

Questions 2 and 3.

Year	Landings[1] '000 lbs.	Landed value $'000
1945	2,012	84
1946	1,743	79
1947	1,849	92
1948	1,883	93
1949	1,829	90
1950	735	38
1951	1,173	80
1952	1,268	87
1953	1,630	120
1954[2]	938	70
1955[2]	2,185	108

[1]Landings are given in terms of landed weight, i.e. in shell.

[2]Preliminary figures and subject to revision.

HOUSE OF COMMONS

Tuesday, February 28, 1956

The house met at 2.30 p.m.

DOMINION-PROVINCIAL RELATIONS

FISCAL ARRANGEMENTS—TABLING OF TELEGRAM AND LETTERS OF REPLY

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Hon. members will recall that on February 22 I laid on the table a copy of a letter I had addressed on February 18 to the premiers of the provinces concerning fiscal matters. I should now like to lay on the table copies of the replies I have received from all provinces. It appears from the contents of these replies that a number of the provincial governments desire to resume the conference on fiscal arrangements early in March. I therefore sent a telegram to the premiers proposing that we have another meeting in Ottawa on March 9 next. I might also table a copy of the telegram. Perhaps hon. members would wish to have this correspondence printed as an appendix to the *Hansard* report of today, as was done with the former correspondence.

Some hon. Members: Agreed.

Mr. Fleming: Will that conference be held in camera?

Mr. St. Laurent (Quebec East): Yes. It will be a continuation of the meeting in committee which was held in camera when the premiers were here last October.

(For text of letters and telegrams see appendix, pages 1657-60.)

[Later:]

Mr. J. M. Macdonnell (Greenwood): May I ask the Prime Minister, following what he said previously, whether the fact that there is to be a conference of dominion and provincial governments early in March indicates that the matters under discussion are still open for further negotiation?

Mr. St. Laurent (Quebec East): I think the terms of the letter I wrote to the premiers, a copy of which I tabled in the house on February 22, expresses exactly what is the attitude of the Canadian government at this time.

TRADE

INTERNATIONAL WHEAT AGREEMENT—INQUIRY AS TO STATUS OF NEGOTIATIONS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is he at this time prepared to bring the house and the country up to date on the negotiations in connection with the international wheat agreement? Is he in position to give assurance to the house and the country that, regardless of the number of bushels agreed to by the several nations, Canada is prepared to enter into an agreement whether or not Great Britain is a member?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am unable to give the house any information on the international wheat agreement negotiations. We have a team there but the reports to date are not conclusive. It is the intention to largely follow the advice of our farm leaders who are there on the ground. When we have more definite information I shall be glad to make it available.

CIVIL DEFENCE

EVACUATION OF MAJOR CITIES—ACCEPTANCE AS GOVERNMENT POLICY

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I ask the Minister of National Health and Welfare if the evacuation of our major cities in the event of a national emergency has been accepted as government policy for civil defence?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I received notice of this question from my hon. friend only a few moments ago. The federal civil defence authorities in co-operation with the civil defence authorities of the various provincial governments have been engaged in evacuation tests in certain communities in Canada to determine the feasibility of this method of defence. Likewise we have been co-operating in this particular with the authorities in the United Kingdom and in the United States.

Inquiries of the Ministry

Mr. Pearkes: That does not quite answer my question. I asked whether it had or had not been accepted as government policy.

Mr. Martin: With great respect, I think I have answered. I said we have been co-operating with the provincial authorities with a view to determining the feasibility of the evacuation of Canadian communities. Once we have determined that in co-operation with authorities in other countries who are engaged in this matter, final decisions will be taken.

Mr. Pearkes: Then it has not been accepted yet?

Mr. Martin: I should like to say that my hon. friend has been constructive in this matter year after year, and I know he would not want to add to the problem, which obviously is a very difficult one. I would hope I might say that his remark is not intended in any way to discourage the effort now being made by various communities throughout the country. I know I express a view that my hon. friend fully shares.

Mr. Pearkes: There is no thought of discouraging anybody. I should like to be helpful if I can.

Mr. Martin: My hon. friend is always helpful.

PUBLIC SERVICE

HOUSE OF COMMONS AND SENATE—SALARY INCREASES FOR STAFF

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the Minister of Finance? Will the necessary steps be taken so that employees of the House of Commons, and of the other place as well, will participate in the salary increases of which the Prime Minister gave notice to civil service organizations a day or two ago?

Hon. W. E. Harris (Minister of Finance): I answered this question some time ago, when I answered my hon. friend by saying that we were giving consideration to all these questions.

Mr. Knowles: I should like to ask a supplementary question. In view of the fact that my previous question referred to prevailing rates employees, may I now take it that sessional employees in this building are also covered?

Mr. Harris: You may take my answer precisely as it was, that we were giving consideration to all persons concerned.

[Mr. Martin.]

NATIONAL REVENUE

REQUEST FOR CHANGE IN APPLICATION OF AUTOMOBILE EXCISE TAXES

On the orders of the day:

Mr. Michael Starr (Ontario): I should like to direct a question to the Minister of Finance. Has the government considered the advisability, in view of the fluctuating nature of special excise or luxury taxes, of introducing legislation to make automobile excise taxes payable on the basis of actual sale to new owners and not, as at present, when the automobile is shipped to the dealer for subsequent sale?

Hon. W. E. Harris (Minister of Finance): The house will recall that we had some discussion of the problem of excise taxes on motor cars during last session. In the interval we have had representations from both the dealers' association and the association of motor car manufacturers. My recollection is that the matter my hon. friend has just mentioned was included in one, if not both, of those representations. That being the case, we shall of course consider it, though this is not to be taken as a statement that we will adopt it.

ST. LAWRENCE SEAWAY

EXPROPRIATION OF PART OF CAUGHNAWAGA INDIAN RESERVE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the Minister of Citizenship and Immigration. Have negotiations been completed between the St. Lawrence seaway authority and his department for the purchase of that portion of the Caughnawaga Indian reserve which is being expropriated for the seaway construction?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I have not been so advised.

PROTECTION OF CANADIAN PROPERTY AGAINST CHANGE IN WATER LEVELS

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): On February 22 last the hon. member for Lambton West asked me if I could say what the level of lake Huron would be upon completion of the St. Lawrence seaway, and if it would be at all possible to divert more water to the Chicago drainage system. I gave a provisional reply at that time which I can now confirm.

I should point out that while it is not possible to predict what the level of lake Huron will be at any time in the future,

I am informed that the levels of this lake will not be affected by the completion of the St. Lawrence seaway and power project. Therefore the question of increased diversion at Chicago as a consequence of the seaway does not arise.

[*Later:*]

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I should like to direct a further question to the Secretary of State for External Affairs. Perhaps the question I asked originally was not as clear as I intended that it should be. I was not concerned about the effects of the St. Lawrence seaway project on the great lakes levels. Previously I think the Minister of Transport said that upon completion of the seaway the great lakes level would remain more or less constant. He was referring to the lower lakes, lake Huron and lake Michigan. My concern was about the damage to property from high water levels even at the present moment. I was hoping the minister would consider the effect of the high levels because of the diversion of the two streams into lake Superior which are man-made and whether, apart from the St. Lawrence project entirely, more water could be diverted through the Chicago drainage scheme.

Hon. L. B. Pearson (Secretary of State for External Affairs): I shall be very glad, Mr. Speaker, to look into that aspect of the matter and give a reply as soon as possible.

HEALTH AND WELFARE

SUPERVISION OF SALE OF SLEEPING PILLS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of National Health and Welfare. Has the minister noticed in this morning's *Globe and Mail* the suggestion by Magistrate Hopkins of Hamilton that there be more rigid supervision of the supplying of sleeping pills without doctors' prescriptions? Could the minister indicate what action, if any, his department is taking?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, as soon as I saw the story in the papers this morning I suggested to our offices that we make an examination of the alleged facts. But I might say in addition that under the Food and Drugs Act sleeping pills are required to be sold only on the prescription of a doctor, a dentist or a veterinarian. Control is constantly being exercised by the inspectors of the food and drug directorate. Anyone selling sleeping pills other than on the prescription of a doctor, a dentist or a veterinarian violates the Food and Drugs Act and is liable to penalty.

FRUIT

BRITISH COLUMBIA—REQUEST FOR STATEMENT FOLLOWING INTERVIEW WITH MINISTER

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to direct a question to the Minister of Agriculture. Could the minister comment at this time on the results of his recent conversations with the representatives of the British Columbia berry and small fruits growers?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for having given me notice of his question. Representatives of the British Columbia berry and small fruits growers discussed their problems with the provincial authorities before coming to Ottawa and expressed their intention of doing so again on their return to British Columbia, after which we will probably hear from them again.

FLOODS

MANITOBA—LIKELIHOOD OF FLOODING ON ASSINIBOINE RIVER

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Minister of Agriculture. Is the minister aware that informed prediction indicates that there is every likelihood of a very serious flood condition along the Assiniboine river valley this coming spring? If so, can the minister state whether or not his department or any other department of government is taking any steps to mitigate the impact of this condition on the citizens of the communities there?

Right Hon. J. G. Gardiner (Minister of Agriculture): There are always, of course, possibilities of floods in the Assiniboine valley, and of course there has been a very heavy snowfall in Manitoba this year. No doubt many persons do have the idea that there may be high water this spring. We have been building dikes along the river in the neighbourhood of Portage la Prairie, and they are not quite complete. That work will be going on during the coming summer. Other matters which are being checked and dealt with are the possibilities of controlling floods from higher up the Assiniboine, partially in Saskatchewan and partially in Manitoba.

Inquiries of the Ministry

SASKATCHEWAN—ACTION TAKEN IN KAMSACK AREA

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to ask the Minister of Agriculture a supplementary question in view of the reply given to the question by the hon. member for Winnipeg South (Mr. Trainor). What action has been taken to prevent a recurrence of the floods on the Assiniboine river in the Kamsack area in Saskatchewan?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I will take that as notice and answer the question later.

STORMS

SUGGESTED ASSISTANCE TO BE GIVEN EUROPEAN NATIONS

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I should like to address a question to the Prime Minister. Can the Prime Minister now inform the house whether the government is preparing to make any contribution to the relief of the current distress in Europe?

Right Hon. L. S. St. Laurent (Prime Minister): No decision has been made in that regard up to the present time, Mr. Speaker.

[*Later:*]

Mr. H. R. Argue (Assiniboia): I should like to ask the Prime Minister a question arising out of his reply to the hon. member for Nanaimo. Will the Prime Minister, in his forthcoming visit to Washington, discuss with President Eisenhower the possibility of a joint disaster assistance program for Europe in order to avoid any possible conflict in the disposal of food surpluses?

Mr. St. Laurent (Quebec East): I think I will have to use my best judgment in my conference with the President at the time it takes place.

PUBLIC BUILDINGS

QUEBEC CITY—LOCATION OF NEW POST OFFICE

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a question to the Minister of Public Works. Has the Minister of Public Works received a resolution passed by the Quebec municipal council and the Quebec chamber of commerce suggesting that the new post office site be changed? If so, what steps are being taken in this connection?

Hon. Robert H. Winters (Minister of Public Works): I have not received a resolution.

[Mr. Gardiner.]

(*Translation*):

Mr. Dufresne: Mr. Speaker, may I ask the Postmaster General whether he has received this resolution from the Quebec city council, along with the resolution passed by the Quebec chamber of commerce?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, in answer to the question put by the hon. member, I will say that I did in fact receive such a resolution, together with a brief from the chamber of commerce, and that I have duly forwarded them to my colleague, the Minister of Public Works (Mr. Winters).

(*Text*):

SHIPPING

SINKING OF DEPARTMENTAL VESSEL "HILUNGA"

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): I should like to answer a question raised on February 24 by the hon. member for Vancouver-Quadra in which he asked whether or not the public works vessel *Hilunga*, which foundered on the west coast, was designed only for service in minor waters, class 1, whereas she foundered in minor waters, class 2. The answer is that the *Hilunga* was designed for home trade voyages, class 3, and home trade voyages, class 2, in the summer season only. The vessel foundered within home trade waters, class 3.

Mr. Howard C. Green (Vancouver-Quadra): Is it not true that the *Hilunga* was en route to the Queen Charlotte islands when she foundered, although she happened to go ashore on the mainland? Would a trip to the Queen Charlotte islands not take her beyond the class of waters in which she is supposed to be used?

Mr. Winters: Yes, Mr. Speaker; I think that is the case. But the fact is that she foundered within waters for which she was designed.

POST OFFICE DEPARTMENT

REQUEST FOR NEW ENGRAVINGS FOR NEXT ISSUE OF STAMPS

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Postmaster General inform the house whether his department plans to have new and improved engravings prepared for the issue of stamps which was announced recently, in the light of press comment and certain criticisms levelled at them recently?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, the answer is no.

MUNICIPAL IMPROVEMENTS ASSISTANCE

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can the Prime Minister inform the house whether amendments to the Municipal Improvements Assistance Act will be introduced at this session along the lines of the discussion at the federal-provincial conference last October and in the light of the request made by the Canadian Federation of Mayors and Municipalities?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker. It is not probable that any amendments to that act will be introduced at this session, although there has been no formal decision in that regard up to the present time.

UNEMPLOYMENT INSURANCE

REPORTED TIE-UP IN CAMPBELLTON AND EDMUNDSTON OFFICES

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, on February 16, a week ago last Thursday, the hon. member for Restigouche-Madawaska asked me the following question:

> I regret that I was unable to give the Minister of Labour notice of this question because I just received a telegram concerning the matter. What action, if any, is being taken to overcome the terrific tie-up and delays in the unemployment insurance offices in Campbellton and Edmundston?

I replied that I would take the question as notice and give a reply. I did look into the matter immediately and on Monday, a week ago yesterday, I was prepared to give a reply to my hon. friend but I should like to give it to him now since he is in his seat.

The reply is that at no time this winter has there been a "terrific tie-up" at these two unemployment insurance offices. Furthermore, following the heavy pressure of work on all offices during the first two weeks in January, there has been no undue delay in the processing of claims either at Campbellton or at Edmundston.

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to ask the Minister of Labour a supplementary question. I thank him for his answer, but I should like to know what action is being taken with regard to the 1,172 cases from Campbellton and Edmundston that have been tied up in Moncton. I might mention the fact that I made a survey—

Some hon. Members: Order.

Mr. Gregg: Mr. Speaker, what I have said with regard to delay in taking care of claims applies to those two offices mentioned originally by my hon. friend.

Mr. Van Horne: That is the precise question, sir. Apparently—

Some hon. Members: Question.

Mr. Van Horne: I am asking the question as to what action has been taken with regard to the 1,172 cases belonging to the Campbellton and Edmundston offices which have been tied up for up to seven weeks in the Moncton office of your unemployment insurance commission.

Mr. Gregg: What I have said applies to those workers in those two counties that are served by the offices mentioned, wherever their claims may be. Since my hon. friend has shown some disbelief in my reply, Mr. Speaker, I should very much like to have your permission to make a little longer reply than that which I made a few minutes ago.

Some hon. Members: Agreed.

Mr. Gregg: When I received that complaint a week ago Thursday I immediately investigated the matter, as I have told the hon. member. On that Saturday I was in New Brunswick myself. I was not at Campbellton or Edmundston, but I did take steps to satisfy myself that there was no undue delay.

I returned to my office and on Monday morning I received this wire, dated Campbellton, February 18. It is addressed to me:

> Unless immediate action is taken to remove the bottleneck and mixup in Campbellton unemployment office I seriously fear that a riot will occur very soon. Seasonal workers are up in arms and many are experiencing delays of up to six weeks while their families live in utter poverty. Immediate action is required by you.
>
> J. C. Van Horne

I am sure this is a matter which, since it affects two municipalities in New Brunswick and workers who are fellow New Brunswickers, is one that particularly affects the hon. member and myself. I should like to have the opportunity of explaining to him through you, and to the house, that no steps were left untaken to see that there was no hardship being experienced by the workers in those two communities.

The commission told me that since the usual New Year's rush several weeks ago, both offices had been able to bring their work well up to date. About the day the hon. member made his complaint there was only a total of nine claims uncompleted which were over three weeks old, and these were being dealt with; some of them were under adjudication by a board of referees.

I was informed also that there was no evidence of confusion at either office.

These things I was prepared to convey to the house last Monday when I received the wire which I have read to the house. When I received that wire I again checked through the unemployment insurance commission. After another inquiry they told me there were no serious delays in these offices. I told them I had received contrary information from a source which I was bound to consider completely responsible.

Some hon. Members: Oh, oh.

Mr. Gregg: While I did not doubt their word, I proposed to telephone an independent source of information on the spot. It appeared to me that in a town of less than 10,000 people, if such a crisis existed as to warrant the terms "bottleneck", "mixup", "riot", "up in arms", "utter poverty", then surely the mayor of the town of Campbellton would know all about it. I called the mayor of the town of Campbellton by long distance. I asked him if he would tell me of the unfortunate things that were happening in the town, due to delays in dealing with claims at the unemployment insurance commission. He replied that nothing of that kind had come to his attention. I then asked him if he had had or had heard of any complaints of delays or difficulties at the unemployment insurance office. He said he had heard of none. I asked him if I could quote him in regard to this question and he said I could.

Mr. Van Horne: May I ask a supplementary question? My information comes—

Some hon. Members: Question, question.

Mr. Van Horne: My question is that I would like to know what action has been taken in regard to the 434 cases at the Campbellton office as of last Friday, and there were more the week before that. I should like also to know what action has been taken in regard to the 740 cases from the Edmundston office which are tied up in the Moncton office.

Mr. Sinclair: Tell us about the riot.

Mr. Gregg: Because of the variation in figures I will take this question as notice.

POTATOES

NEW BRUNSWICK—REQUEST FOR STATEMENT ON TOLERANCE IN POTATO GRADING

On the orders of the day:

Mr. H. J. Michaud (Kent, N. B.): May I direct a question to the Minister of Agriculture? Is the minister now prepared to make a further statement with regard to the tolerance in potato grading as requested by the New Brunswick potato industry? If the minister has no announcement to make today, when would he expect to be in a position to do so?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member was kind enough to forward me a copy of his question and I presume what he refers to is the answer to the question asked by the member for Victoria-Carleton (Mr. Montgomery). The question was asked on February 23, that was last Thursday, and had to do with the visit of the potato producers committee from the province of New Brunswick.

The position at that time was that the potato producers committee from New Brunswick interviewed the agricultural prices support board on February 16. They asked for an increase in the spot grade price from $1 to $1.20. It was indicated to them by the agricultural prices support board that could not be done.

They asked for a tolerance in connection with the spot grading, a guaranteed tolerance of 20 per cent. There is a tolerance in the proposed agreement which is estimated on each load of potatoes delivered at the starch plant to be spot graded. They asked to have that guaranteed at 20 per cent. The answer they received was that the request would be given consideration. A representative of the agricultural prices support board is going to New Brunswick tomorrow to discuss the question with the government and the potato committee. If and when they reach agreement the decision will be announced forthwith.

INDUSTRIAL RELATIONS

PROVISION FOR CONTINUATION OF CERTIFICATION OF UNIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour? Is the minister yet in a position to answer my question of February 10 as to whether any necessary steps will be taken to provide for the continuation of all certifications under the Industrial Relations and Disputes Investigation Act despite any changes in union names that may result from the coming merger of the Trades and Labour Congress of Canada and the Canadian Congress of Labour into what will be known as the Canadian Labour Congress?

Hon. Milton F. Gregg (Minister of Labour): The matter is still under discussion with the unions concerned, and I hope to have a reply soon for my hon. friend.

IMMIGRATION

TIM BUCK—INQUIRY AS TO SPECIAL SECURITY MEASURES

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Is it the minister's intention to recommend special security measures to be taken upon the return of Tim Buck from Moscow?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have given no consideration whatever to the question.

Mr. Dufresne: May I direct exactly the same question to the Minister of Justice?

Hon. Stuart S. Garson (Minister of Justice): I have nothing to add to the answer given by my colleague.

FISHERIES

ESTABLISHMENT OF FLOOR PRICE ON DOGFISH LIVERS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to ask the Minister of Fisheries if he is in a position to make a statement to the house as to what consideration the fisheries prices support board is giving to the establishment of a floor price on dogfish livers?

Hon. James Sinclair (Minister of Fisheries): The fisheries prices support board asked that a study be made, and a study has been made of this question. At the meeting next month the board will study the report.

GRAIN

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

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the third reading of Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, despite the fact that in recent days there have been those on the government side of the house who have contended that we of the opposition have been taking too much time in the discussion of this bill, the events of the last few days have entirely

supported the stand we have taken, in particular the change that was made on Thursday afternoon in connection with clause 9 of the bill. This has proved that out of debate and out of consideration by parliament, changes do take place.

When some three weeks ago I advanced the argument that clause 9, subclause 3, would have the effect of bringing about imprisonment for debt in the cases of those who had been convicted of deception in connection with the loans they had secured by reason of false statements, that suggestion was ridiculed by members of the government. But on Thursday last the government without any hesitation removed that particular portion of the section. Several ministers of the crown who a few days earlier had ridiculed the argument that imprisonment for debt was thereby being brought into effect joined the general clamour in favour of the removal of that subclause. Each and every one stated that he realized the effect of the clause, though only a matter of a few days earlier their attitude was one of contemptuous ridicule of those members of the opposition who advanced the argument as to the danger inherent in the clause in question.

We of the official opposition have made our position clear. We are opposed to this legislation. The right hon. Minister of Agriculture (Mr. Gardiner) has stated that in taking that stand we do not represent a majority opinion of the farmers of the western prairies. In support of his statement the minister said that he had visited western Canada and that almost on every hand the attitude of the farmers was that this was a good legislation.

I did not find such an attitude among the farmers in my constituency or in those portions of Saskatchewan which I visited. In every case, and there was no exception, I found the sternest opposition being expressed to this legislation in that in effect it means that the farmer is substituting one debt for other debts, and is paying interest on his earnings in the preceding year, something that cannot be justified in any way.

The government has tried piecemeal means to meet the demands of the western farmers. First it brought into effect legislation by an order in council allowing farmers to exchange good wheat for poor wheat being stored in the elevators. That legislation was proclaimed as the solution of the problem of storage facilities being used to store wheat that was more or less unsaleable. That stopgap proved unsuccessful, as only a few bushels of wheat were exchanged as a consequence of the introduction of the measure to provide for such exchange.

Then there was the advance of up to 10 cents a bushel on grades of wheat Nos. 1 to 4. That does not meet the situation in western Canada, in particular in northern Saskatchewan. Generally speaking, the farmers in northern Saskatchewan produce grades Nos. 5 and 6, and that measure does not help them in any way.

My hon. friends say that financial and credit conditions on the prairies are not serious. I know not where they get their information. I do not in any way preach the doctrine of blue ruin and I disavow this nonsense about secession which was expressed the other day. I have never heard any suggestion of secession except years ago from a small minority, vocal but unimportant, who advocated such a course. I know of no reputable person in western Canada today who in any way resorts to such a pitiable argument that because of difficulties of the moment, that portion of Canada should secede.

But they are aroused. There is no question that the businessmen and the farmers are aroused. Go anywhere in the western provinces today, and in particular I mention Saskatchewan of which I can speak, and you will find that the farmers are asking for some financial assistance to carry them over at this time so they will be in position to meet the necessary encumbrances that face them.

What is the solution? Bank loans. My hon. friends supporting the government say that this policy is acceptable. I cannot understand how it is, then, that only 4 per cent of the western farmers have in any way taken advantage of this legislation. In the first place it does not meet the situation. It is ineffectual. In addition to that it is so tied up with bankers' red tape that if it could be made effectual it has actually been prevented from being such.

We have made our position clear and I am not going over the details again. Our position is simply this: We believe there can be no justification on the part of the government for withholding implementation of the demands of the vast majority of western farmers by providing cash advances on farm-stored wheat. The credit situation is serious. It will have its repercussions across Canada. The retail trade, the automobile trade, manufacturing in general all are being affected by the failure of this government to meet the situation that prevails—call it temporary if you will—under which the farmer, having earned his return, is entitled to consideration. I cannot repeat too often that the western farmer is not asking for a hand-out. All he is asking for is that which the government promised him, the provision of markets, when the wheat board act was brought into effect, as the wheat board in fact became the only institution permitted to purchase the farmers' wheat.

Having said that, I realize there is little we can do except to protest. Protests, whilst ineffectual in the House of Commons, are often effectual outside the House of Commons. We have made our stand clear. We were answered by all kinds of arguments. The greatest example of eyewash of all was the argument that, if cash advances were provided, the wheat board would resign—

Mr. Speaker: I am sorry to interrupt the hon. member, but on two or three occasions he has referred to cash advances. Perhaps he will agree with me that at this moment the same latitude which is afforded on second reading of a bill is not afforded on third reading. Furthermore, debate must be restricted to what is in the bill, and not take in any other policy that might have been proposed. Furthermore, the subject of cash advances is certainly one which must be out of the question in debating third reading of the bill, because there was an amendment on this very question which was defeated by the house. On second reading I understood it was very difficult to eliminate the possible references to cash advances, but I should hope that on third reading we would not have to have second reading speeches.

Mr. Diefenbaker: Possibly I should have said earlier that I intend to move an amendment to the motion, and I shall tell you now what the amendment is. It is designed to give the government a longer opportunity to consider whether or not cash advances on farm-stored wheat are not indeed the most appropriate means whereby the present financial situation on the prairies can be met. The motion I intend to move is as follows. I move, seconded by the hon. member for Eglinton (Mr. Fleming):

> That the word "now" be left out, and that the words "this day six months" be added to the end of the question.

I so move, and the arguments I advanced were all preparatory and anticipatory of the amendment I intended to move, in order to indicate the reasons for so moving.

Mr. Speaker: The hon. member is moving the six months' hoist. That certainly does not give him the opportunity of discussing a matter which has already been decided upon by the house. The hon. member for Prince Albert moves, seconded by the hon. member for Eglinton:

> That the word "now" be left out, and that the words "this day six months" be added to the end of the question.

Some hon. Members: Question.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, when this bill was first introduced into the house, we in this group objected at every opportunity. In doing so we stated we did not believe that the principle involved in the bill was going to fulfil the requirements of the situation. We do not believe that the farmers can borrow themselves into prosperity. We do not believe that the farmers can borrow themselves out of debt.

Certainly the clauses and the conditions that were discussed in connection with this bill the other day would lead us to believe that our decision to oppose this legislation was completely justified. By amending certain clauses the government gave evidence that it saw in many instances that the clauses were unrealistic. Of course we maintain and always have maintained that both the bill and the clauses were unrealistic, because of the government's misunderstanding of the true situation farmers in western Canada are facing.

It seems that in drafting the clauses and the conditions the government did everything possible to discourage farmers from taking advantage, if there was any advantage, of this legislation, rather than encouraging them to do so. Certainly the risk that was involved in this legislation with regard to interest did not seem to be warranted. Certainly, on the admission of the Minister of Trade and Commerce, from the 1951 experience it would seem that even at that time there was very little risk involved.

When we consider the difference between the circumstances that exist today and those that existed in 1951, surely the risk today has been almost completely eliminated. In 1951, as we know, the grain was out in the field, and there was a considerable risk involved in loaning money under those conditions. Now the conditions are different. As far as the quality and condition of the grain are concerned, the farmers have harvested possibly the best crop they have had for several years. So we believe that the risk involved certainly does not warrant the 5 per cent interest charge being levied in this case. By increasing the guarantees to the banks, any risk the banks might take are completely ruled out. By the same token the government leaves no question regarding risk, in so far as any of the other aspects are concerned. As I mentioned a moment ago, the grain is in good condition, and I see no reason why there should be an interest rate of 5 per cent.

In regard to the penalties under clause 9, the government again realized how unrealistic this was, and was prepared to make certain amendments to that clause. When we read clause 9 as it was presented to this house, we cannot help thinking the government feels that the farmer must be quite a questionable character as far as living up to obligations of repayment is concerned, because clause 9 left no risk whatsoever with regard to repayment by the farmer.

Every one of the clauses seemed to be purposely provided to limit the uses of this bill, and went a long way to discourage farmers from taking advantage of it. Listening to the Minister of Agriculture, who just returned from a trip to the west, one gets the impression that he is convinced in his own mind that farmers are quite happy and quite satisfied with this legislation. He mentioned in particular the information he had that the farmers in my riding were quite satisfied with it, and he gave as evidence of that the fact that he talked to a certain individual in Winnipeg.

My guess is that he was much more concerned about the coming provincial election in Saskatchewan, and I presume he went out there to oil the old Gardiner machine. Certainly he still has lots of oil, but the parts of the machine are not as new as they used to be. The minister prophesied that those who had spoken against the legislation in the house will go back to Saskatchewan and sing a different tune, but he should disabuse his mind completely of that idea because we intend to go back and talk exactly the same in the west as we have talked in the east. There will be no difference, and I am sure nobody in the house knows better than the minister that that is exactly what we are going to do.

As I mentioned in the first instance, we have consistently opposed the legislation. We do not believe it is just in principle, and we can see now that so far as carrying out the provisions of the legislation is concerned, the government has done everything possible to make sure that it is not going to give the assistance that is necessary. On third reading of the bill we in this group will continue to oppose the legislation, and once again I take the opportunity to say on behalf of the group I represent that our opposition is as adamant as ever.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I think I should perhaps say a word or two before the question is put. I am not going to enter upon a lengthy debate. I simply wish to state our position on third reading. I have not spoken on the bill before with the exception of the one clause having to do with the interest rate, and at that time I moved an amendment. I have scanned *Hansard* over the weeks with a view to finding something new to say on the subject, and I cannot find anything new. Everything

that can be said has been said. Somebody to my right whispers that perhaps I am a little previous in making that observation. Perhaps my friends have more brains than I have. I will give them credit for that, but I cannot see that there is anything new to say.

In scanning through *Hansard* I was rather impressed with one thing, and I offer this criticism in a gentlemanly fashion. It occurs to me that my C.C.F. friends to the right, for whom I have the greatest regard as friends even though I do not have much regard for their political philosophy, seem to assume that perhaps they alone are the champions of the wheat farmers, that nobody else is interested in the wheat farmers and that therefore they are putting up the one and only great fight. I do not think that is right. I will even give the government credit for being humanitarian enough to be interested in the western farmers. I think they are humanitarian enough and smart enough politicians to be interested in the western farmer.

It is not a matter of being interested in the economic welfare of anyone. It is a matter of arriving at the best possible decision in order to meet an emergency. That is the issue and the government have evidently decided that this bill best meets that emergency. We in this corner of the house do not believe that it best meets the emergency. We do not think the farmers believe that it best suits the emergency. The reason is that there is only one agency through which the farmer can sell his wheat for export. We are entirely in favour of that selling agency, the Canadian wheat board, because we believe the wheat board can go out and find markets just as easily as any other selling agency.

Nevertheless the wheat board is the only selling agency. It is an arm of the government; therefore if markets are not found the government must take the responsibility. They have assumed that responsibility only to a degree. They have said that the best they can do is this bill. We do not believe it is the best they can do.

I cannot go into the subject of cash advances, Mr. Speaker, because you have already ruled that out of order, and I will not do so. If I did I would only be repeating what has already been said a dozen times in the previous debate. Our position is that we are going to vote for the amendment. We are against the bill because we do not believe it represents the best that can be done under the circumstances. If we were in the position of being the responsible government we believe we could bring down a much better bill to meet the emergency. I do not think I need to say any more with respect to the matter.

Mr. George H. Hees (Broadview): Mr. Speaker, I rise to say once again very briefly that this whole mess into which the government has got itself and the country with regard to wheat is due to one thing and one thing only; that is, the government's complete inability to sell our wheat.

Mr. Speaker: Order. At page 1436 of *Hansard* I find the speech the hon. member made on second reading, in which he said:

> . . . I should like to deal briefly with the basic reason why this government finds itself in such an unholy mess today with regard to wheat sales. The simple reason is that the government's selling efforts have been inadequate and utterly pathetic.

If the hon. member intends to repeat the same speech may I say now, although I do not want to rule in anticipation, that if he intends to deal with sales he will be completely out of order, because debate on the third reading of a bill is limited to what is contained in the bill. I would refer the hon. member to May, fifteenth edition, page 554, where I find the following:

> The procedure on the third reading of a bill is similar to that described in relation to the second reading, but the debate is more restricted at the later stage, being limited to the matters contained in the bill.

At page 504 there are these words:

> The purpose of the third reading is to review a bill in its final form after the shaping it has received in the earlier stages. For this reason amendment, other than verbal, is no longer permissible on third reading. Hence also debate is confined strictly to the contents of a bill, and cannot wander afield as on second reading.

May I say in passing, having read the hon. member's speech on second reading, that I do not think it should have been allowed either.

Mr. Hees: Mr. Speaker, I am speaking to the amendment, which is that the bill be given the six months' hoist, to give the government more time to consider how it could better handle the whole wheat situation.

Mr. Speaker: The hon. member should bear in mind that the six months' hoist is merely an amendment which is traditionally moved in order to kill a bill, but the discussion must still be relevant to the bill and limited as it should be on third reading.

Mr. Hees: Mr. Speaker, I believe that the shipments of wheat which the government makes have a great deal to do with the wheat situation that we—

Mr. Speaker: There is no doubt about that, but it just so happens that Sir Erskine May,

who has been Clerk of the House of Commons in the United Kingdom for many years and is a recognized authority on procedure, tells us that on third reading debate must be confined to the contents of the bill. Is there anything in this bill pertaining to the sale of wheat?

If there is not, the hon. member may not debate that subject.

Is the house ready for the question?

Some hon. Members: Question.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Knowles
Argue	Leboe
Balcer	Lennard
Barnett	Macdonnell
Bell	MacInnis
Blackmore	McBain
Blair	McCullough (Moose Mountain)
Brooks	McGregor
Bryce	McLeod
Bryson	Michener
Cameron (Nanaimo)	Monteith
Campbell	Montgomery
Cardiff	Murphy (Lambton West)
Castleden	Nicholson
Charlton	Nickle
Coldwell	Noseworthy
Diefenbaker	Patterson
Dinsdale	Pearkes
Drew	Perron
Dufresne	Quelch
Ellis	Regier
Fleming	Robinson (Bruce)
Fulton	Small
Green	Smith (Battle River-Camrose)
Hamilton (Notre Dame de Grace)	Stanton
Hamilton (York West)	Starr
Hansell	Stewart (Winnipeg North)
Harkness	Thatcher
Hees	Trainor
Herridge	Tustin
Holowach	White (Hastings-Frontenac)
Howe (Wellington-Huron)	White (Middlesex East)
Johnson (Kindersley)	Yuill
Johnston (Bow River)	Zaplitny—70.
Jones	
Knight	

NAYS

Messrs:

Anderson	Breton
Applewhaite	Brisson
Ashbourne	Brown (Brantford)
Balcom	Brown (Essex West)
Batten	Bruneau
Beaudry	Buchanan
Benidickson	Cameron (High Park)
Bennett	Cannon
Blanchette	Cardin
Boisvert	Caron
Bonnier	Carrick
Boucher	Carter
Bourget	Cavers
Bourque	Dechene
Denis	McIvor
Deschatelets	McMillan
Deslieres	McWilliam
Dickey	Maltais
Dumas	Mang
Dupuis	Marler
Enfield	Martin
Fairey	Masse
Forgie	Matheson
Fraser (St. John's East)	Menard
Gardiner	Meunier
Garland	Michaud
Garson	Mitchell (Sudbury)
Gauthier (Lake St. John)	Monette
Gauthier (Nickel Belt)	Murphy (Westmorland)
Gauthier (Portneuf)	Nixon
Gingras	Pearson
Gingues	Philpott
Girard	Pickersgill
Gour (Russell)	Pinard
Gregg	Pommer
Habel	Poulin
Hanna	Power (Quebec South)
Harris	Power (St. John's West)
Harrison	Proudfoot
Healy	Purdy
Hellyer	Ratelle
Henderson	Reinke
Henry	Richard (Ottawa East)
Hollingworth	Richard (St. Maurice-Lafleche)
Hosking	Richardson
Houck	Roberge
Howe (Port Arthur)	Robertson
Huffman	Robichaud
Hunter	Robinson (Simcoe East)
James	Ross
Jutras	Rouleau
Kickham	St. Laurent (Quebec East)
Kirk (Antigonish-Guysborough)	St. Laurent (Temiscouata)
LaCroix	Schneider
Laflamme	Shipley, Mrs.
Lafontaine	Simmons
Langlois (Gaspe)	Stick
Lapointe	Stuart (Charlotte)
Leduc (Gatineau)	Studer
Leduc (Jacques Cartier-Lasalle)	Thibault
Leduc (Verdun)	Tucker
Lefrançois	Valois
Legare	Viau
Lesage	Villeneuve
MacKenzie	Weaver
MacNaught	Weir
Macnaughton	Weselak
McCann	White (Waterloo South)
McCubbin	Winters—139.
McCulloch (Pictou)	

Mr. H. R. Argue (Assiniboia): I rise at this time to make a further protest with regard to the passage of this legislation. There may have been some doubt in the minds of some hon. members on the opposition side when this debate began some weeks ago as to whether there should be all-out opposition to this bill. But as the days have gone by we have become more and more convinced that the prairie producers, almost unanimously, are opposed to this kind of legislation. In the years I have been in parliament since 1945 I think it is correct to say that on no other issue has there been the same degree of unanimity, the same degree of bitter

opposition amongst prairie producers, as there has been to this very bill that is now before us.

I am amazed when I think of the record of the government in this regard. When the government has it within its power to carry out the wishes of western producers at no great cost, actually for a charge that in relation to other charges made by the government is very small, it seems to me there is one main reason why the government has not agreed with the prairie producer. It is that the Minister of Trade and Commerce is not prepared to admit at any time that he has made a mistake.

I think any democratic government and any minister in a democratic government should be prepared to take a second look. Any one of us can make a mistake and judge a situation incorrectly. I believe the minister judged this situation incorrectly, and when he saw widespread determination amongst the producers he should have agreed to their request.

I do think the type of situation we had last fall is likely to be repeated many times in the future. As a matter of fact I would expect that in the majority of the years that lie ahead we will find widespread congestion, we will find the producers having great difficulty in delivering their grain. Therefore, Mr. Speaker, some kind of system will have to be implemented to make it possible for farmers to obtain money before they are able to deliver their grain.

One of the reasons they are going to be faced in the years ahead with the same kind of situation they are faced with today is the fact that modern methods of production—

Mr. Speaker: Order. I quite understand the wish of the hon. member to revive this debate. It may be that in the past I or my predecessors have shown more latitude with respect to third reading, but the principle of this bill has been passed and we are now dealing with third reading, and debate should be confined to the contents of the bill.

Mr. Argue: Well, Mr. Speaker, I shall endeavour to keep my remarks strictly referring to the contents of the bill. The main content of the bill to which I object at this time, as I have objected time and time again, is the 5 per cent interest clause, an onerous burden on the prairie producers. The prairie producers are objecting to the 5 per cent not only because they dislike paying interest, but because they are opposed to the principle of being forced to pay interest on the fruits of their year's labour.

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

[Mr. Argue.]

Mr. Argue: Surely.

Mr. Richardson: This is February 28. I should like to ask the hon. member if he agrees with what he said on January 26, as reported at page 563 of *Hansard*:

> In certain fields credit has been provided at reasonable rates by government legislation. We have a National Housing Act which enables a great many people who own their own homes, paying an interest charge of 5¼ per cent. That is good legislation. We have the Farm Improvement Loans Act, which is another example, under which farmers can obtain credit at a rate of 5 per cent. That, too, is good legislation.

Does the hon. member not think this, too, is good legislation?

Mr. Argue: Mr. Speaker, I am surprised at a question like that, because this legislation is not comparable in any respect to the legislation that has been referred to.

Some hon. Members: Oh, oh.

Mr. Argue: I should like to ask the hon. member who asked the question whether he would support legislation in this house which forced him to pay 5 per cent on his monthly cheque that he gets from the accountant's office; that is, the indemnity he receives? That is precisely what the government is suggesting.

An hon. Member: It is not the same thing at all.

Mr. Richardson: Mr. Speaker, I shall be glad to answer that question. It is an entirely different principle altogether.

Mr. Argue: In other words, since it is an entirely different principle, I take it that the hon. member would join with the opposition in such an instance in opposing legislation requiring members of parliament to pay interest on their own wages or salaries. Therefore I suggest to him—

Some hon. Members: Sit down.

Mr. Richardson: Excuse me, Mr. Speaker, but the hon. member asked me a question. The loan is partly on wages, if you will, but it is also very largely upon inventory.

Mr. Argue: That shows, Mr. Speaker, what little knowledge the hon. member has of the situation in the prairie provinces. I would ask some of the hon. members from Saskatchewan and Manitoba in the Liberal party to explain to him that $1,500 does not even cover the wages a prairie producer should be entitled to for one year's work. I do not know how the hon. member can imply that a prairie producer should be satisfied with $1,500 to cover wages and a substantial part of his inventory. This shows just how little grasp of the situation has been obtained by

hon. members on the government side of the house. The Minister of Trade and Commerce and the Minister of Agriculture understand the grain problem, but they have made a very poor job of explaining the situation to their colleagues.

Mr. Studer: Mr. Speaker, may I ask the hon. gentleman a question? What kind of job has the opposition been doing here for the last six weeks if they have not been able to convince anyone? They had better go home and stay there.

Mr. Argue: I am not going to endeavour to speak for the whole of the opposition, but I think I can say for the hon. members of the C.C.F. group that we have been doing a wonderful job, and that we have been convincing people since this debate started on January 27. We have convinced the Social Credit party, and they have changed their position. We have convinced the Progressive Conservative party and they, too, have changed their position.

An hon. Member: Sit down.

Mr. Quelch: Mr. Speaker, I might say that the statement about our having changed our minds is not a statement of fact. We explained fully at the resolution stage why we voted in favour of the resolution, in order to enable the government to bring down the bill. Once it was brought down we did not like certain things in the bill and we therefore voted against it. There has been no change.

Mr. Argue: I take it from the explanation offered by the hon. member for Acadia that when he votes it has nothing to do with the state of his mind or what he thinks, and that his mind has not been changed but his vote has been changed. I should like to see some changes in the votes of hon. members opposite. I should like to see the hon. member for Swift Current-Maple Creek (Mr. Studer) endeavour to change the opinions of some of the hon. members who sit around him. As a matter of fact, Mr. Speaker—

Mr. Studer: Mr. Speaker, may I ask the hon. member a question?

Mr. Speaker: May I ask the hon. member for Swift Current-Maple Creek and all hon. members who wish to ask questions, if the hon. member for Assiniboia yields, to relate all this discussion strictly to what is contained in the bill.

Mr. Argue: I shall endeavour to do that, Mr. Speaker, but because of the many interruptions and questions from hon. members on the government side of the house who apparently know very little about this legislation and are endeavouring to get some of the facts at this very late date, I was endeavouring to make some explanation.

I would hope, Mr. Speaker, that even at this stage some hon. member on the government side of the house would see the justice in our position and would join with the three opposition groups in opposing this legislation. We have consistently opposed it; there is no doubt about that. We have taken a good deal of the time of this house in opposing this legislation. We are now on the fourteenth day, all or part of each of those days has been spent in opposing and discussing this legislation.

During that time hon. members of this group have made 37 speeches, hon. members on the government side have made 25 speeches, hon. members of the Progressive Conservative party have made 20 speeches and hon. members of the Social Credit group have made 20 speeches. We have not been endeavouring to stage a filibuster. We have not been endeavouring to block this legislation or to prevent the government—

Mr. Speaker: I can find nothing in the bill which refers to filibusters or to the number of speeches that have been made.

Mr. Argue: I wish you had given the Minister of Trade and Commerce that statement after the debate had been going on for one day. He would not then have needed to use that word. Then at a later date state he was very fearful lest this discussion might degenerate into a debate. We are thoroughly opposed to this legislation, and our opposition is based mainly on the interest clause, clause 3 of the bill. We believe that the banks are not the institutions to be making advances or loans. We think the basis on which loans are made, namely up to a maximum of $1,500 without the farmers having an over-all right to obtain loans, is inadequate. We would like to see different legislation. We would like to see the producer given the fundamental right of obtaining an advance on grain in suitable storage.

As I say, we are opposed to the interest clause of this bill. Because we are thoroughly opposed to it I have a further amendment that I intend to move in the hope that the government will reconsider clause 3, or preferably that the government will take out all provision for interest to be paid by the farmers and that the costs of these loans will be paid for by some other means. Failing this, at least the government should take the position set forth the other day which asked for a reduction in the interest charges. Therefore, I

move, seconded by the hon. member for The Battlefords (Mr. Campbell):

That Bill No. 82 be not now read a third time but that it be referred back to the committee of the whole house for the purpose of reconsidering clause 3 thereof.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I could have risen on a question of privilege a few minutes ago, but as I proposed to make certain remarks on the motion for third reading I deferred my comments until now.

With much that has been said by the hon. member for Assiniboia during the course of this debate I have been in agreement, but I thought it was an unfortunate attempt to make a silly and smart remark when he said that the arguments of the C.C.F. had convinced the Progressive Conservatives. I may have hoped that some of their arguments, along with the arguments made by other opposition members, would have reminded private members opposite that they have some obligation in regard to this, and that if the government is able to ride roughshod over the house it is only because of their willing support.

Mr. Speaker: I do not think the hon. member should say of a group of members that if the government is riding roughshod over the house it is with their willing support. I do not think any hon. member—

Mr. Knowles: Change it to unwilling.

Mr. Speaker: There are many expressions that can be changed and they would still mean the same. I do not want to make a case of this, but I do suggest that it is far from relevancy to a motion for third reading of this bill.

Mr. Drew: I am not going to debate the point, but I must confess that a certain delicacy seems to be creeping in here if the high-handed attitude of the government cannot be described as riding roughshod over the house. As to whether hon. members opposite are willing or are not, that is something that must be left entirely to themselves. If they are willing, that of course is their choice; if they are unwilling, then that is another thing. But they themselves can best indicate their attitude toward this measure. However, I do want to say that a measure of responsibility, a very large measure of responsibility, rests upon private members opposite in regard to the passing of a bill, particularly in regard to the passing of a bill against which such strong arguments have been made.

I am going to point out once again that it has needed no convincing by the C.C.F. so far as the Conservative party is concerned. The Conservative party had taken a perfectly clear position long before this came into the house. I had stated our position clearly as being in favour of cash advances without any interest, in fact before that was stated definitely with the same clarity by the C.C.F. party.

Mr. Ellis: You voted for the resolution.

Mr. Drew: I hear that interjection again, that we voted for the resolution. Of course we voted for the resolution. Resolutions are often voted for in order to have the legislation brought forward. This particular legislation was brought forward and we voted against its second reading, and we are going to vote against the third reading for the same reasons.

But I want to make it quite clear that our position in regard to cash advances without interest has been consistent right through, and since long before this arose. In fact it is more than three years since we urged the introduction of legislation which would provide such advances with the authority of parliament, not under some letter written by the Minister of Finance (Mr. Harris) to authorize the banks to do something which had not yet been authorized by parliament.

I do want to mention one particular matter which I think should be of concern to everyone in this house. One of the points we brought forward early in this discussion and in regard to which there has been no statement whatever by the government is the need of some clear statement to the prairie farmers as to what their position is going to be only six months from now, when the 1956 crop is going to be harvested.

That suggestion very much amuses the Minister of Finance. Of course his chuckles are not recorded on *Hansard,* but it will be recognized by hon. members that the Minister of Finance regards the plight of the prairie farmer as something funny when this suggestion is made.

I want to point out that as yet no explanation has been given as to what the government proposes to do. The Minister of Finance need not pretend that all government action is in suspense until his august voice has been raised on the budget. After all, this government did not hesitate to commit parliament while parliament was not sitting. This government did not hesitate to have the Minister of Finance commit this parliament by a letter. Then we were told by the Minister of Trade and Commerce that since that had been done, the government was going to go ahead with it no matter what arguments were made.

I hope no suggestion will be put forward that section 13, subsection 1 of this act is an answer to that question. That subsection reads:

> The governor in council may, by order, extend the application of this act to authorize and govern guaranteed loans that may be made by banks on or after the 1st day of October, 1956 and before the 1st day of June, 1957.

We have had no indication from the government as to whether it would be their intention under this act to extend those provisions if the same conditions prevail this coming autumn as prevail at this time. Our position is that inadequate though that may be, we should know whether the government feels that this will meet the situation if on top of the large crops we have had we have another bumper crop this year, as we may well have with the weather conditions we have been experiencing in western Canada during the past few months.

The prairie farmer is going to be in a most uncertain and precarious position in planning for his coming crop year unless he has some indication from this government at this time of what it proposes to do. There is no more appropriate time for that statement to be made than on the third reading of this bill, before it becomes law and is made a part of the statutes of Canada. Therefore at this stage I once again point out that we have had no indication of the intentions of the government.

I point out that it is of the utmost importance to the prairie farmers that an indication be given as to what are the intentions of the government. It is no answer to say that under subsection 1 of section 13 the government would have the power. Let the government tell us whether they will exercise that power if conditions are similar to what they are now, or if they have been aggravated by another very large crop.

The opportunity presents itself for the government to make this statement now. May I repeat that whether the government makes that statement or not, the government is still failing the prairie farmers. One of the best possible pieces of evidence that it is failing the prairie farmers is the fact that it is necessary for it to bring in other legislation, with which we shall deal after this has been disposed of. The fact is that the other legislation, which will receive the support of the house, has become necessary simply because of the failure of this government to move the wheat crop, a failure with which they must deal in that way.

So far as this legislation is concerned, before it passes third reading and goes forward to become law, let us hear from the government as to what their intentions are under that clause which they have drafted, clause 13 (1), and whether it is their intention to extend the application of this bill if conditions remain similar to what they now are.

Mr. Victor Quelch (Acadia): I am going to say only a very few words, but I should like to reiterate what I have already said as to the reasons for voting on the bill and on the resolution as we have done. I should like to point out that we have voted against this bill ever since it received first reading. True, at the resolution stage we voted in favour of the resolution to allow the government to bring a bill down, and we were hoping at that time that the government would allow that bill to be sent to the agriculture committee so the farm organizations could express their views on it to members of parliament. In that way we would have obtained the real feeling of the farmers, and there would have been less talk by the Liberals as to what the farmers really thought about it. We should have known exactly what they thought about it. From what we have already heard from them, we are satisfied they would have expressed opposition to the bill.

Since we have received the bill we have opposed it because there are a number of features in it that we dislike. It is true that when we were in committee the government did remove two of the clauses that we considered were of a somewhat vicious nature. True, the bill now cannot be described in any way as vicious. I would just say that it is of little value. Rather than have our statutes cluttered up with a bunch of valueless acts, it would be just as well for the government to withdraw this legislation, which would pave the way for the government to bring down legislation that received the approval of the various farm organizations.

When we were in committee we moved that the interest rate be reduced from 5 per cent to 3 per cent. We pointed out that all that would be necessary would be for the government to borrow whatever money was necessary from the Bank of Canada and place that money to the credit of the wheat board, so that we could make these payments at a lower rate than the 5 per cent set by the bill. The amendment now before us proposes that the rate of 5 per cent be reduced, and therefore we intend to support the amendment.

Mr. George H. Hees (Broadview): Mr. Speaker, in compliance with your wishes I

intend in my remarks to keep strictly to the bill. This bill is entitled:

An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

This bill has been brought before the house because of the reason expressed in the title, the inability of the farmers to deliver all their grain. If they had been able to deliver all their grain there would be no bill before us. Why have they been unable to deliver all their grain? Simply because the elevators have been full and there has been no room for their grain. Why have the elevators been full? Simply because this government has not been able to move the grain out of the elevators. Therefore I submit respectfully that the ability of this government to ship that grain, to move it out of the elevators, has a very direct bearing upon this bill before us.

Before making suggestions as to how the government could do a better job of moving that grain out of the elevators so the farmers could move their grain from their farms into the elevators, let us examine this government's shipping activities as compared with those of others with whom they are competing on the same basis. We know from the figures supplied by the minister's own department that during the past crop year our four main competitors have shipped on the average 40 per cent more grain than they did in the previous crop year. During the last crop year Canada shipped 1·3 per cent less grain than during the previous crop year.

Now let us examine our efforts in the first quarter of this year as compared with our efforts in the first quarter a year ago, and see how we are doing this year. This year, in the first quarter of the crop year, we shipped 20 per cent less grain than we did in the same quarter a year ago. Then in the most recent—

Mr. Speaker: Order. I cannot agree with the hon. member. I was looking again for the page of his speech on second reading that I quoted to him earlier. I recall that at that time he quoted the figures on exports by other countries, but I cannot allow him to discuss the sales of wheat now. In his reasoning a moment ago I followed him, as every hon. member did, and he could have gone on and on as to why they had not been able to sell the grain and, once he had found the reason for that, why they had not been able to do this. He could have gone on to cover the entire political and economic situation on an international basis.

A debate on a bill is one debate through all its phases. On second reading the hon. member has spoken on this very reason that he is now trying to put forward on third reading. Unfortunately the rules do not allow him to do that.

Mr. Hees: Mr. Speaker, what I was just going to say, and to say briefly, was something which I think has great significance and which has not to do with the international situation. It has to do with our efforts to move grain out of the elevators in the month of December as compared to what we were able to do in this country during the same month a year ago. The latest figures are available for December, showing that in December we shipped 30 per cent less wheat than in the same month a year ago. The significance of that is—

Mr. Speaker: Order. I shall have to bring this to a conclusion. The hon. member knows very well that I should love to see him put his remarks on *Hansard* concerning any subject on which he wishes to speak, but it just so happens that at this moment he cannot. Unless I am to establish a bad precedent, which I cannot allow myself to do, he will have to bring his remarks to a close, unless he wants to speak to the contents of this bill.

Mr. Hees: Mr. Speaker, naturally I shall bow to your ruling. If you feel my remarks are out of order and I should not speak any more on this bill, then of course I have no alternative but to resume my seat.

Mr. G. H. Castleden (Yorkton): The fate of most of the members who had the opportunity of speaking here this afternoon has been that they were ruled out of order, because they were not allowed to speak on any particular clause on this third reading or because what they wished to discuss has already been discussed on second reading or in committee.

I suggest that at the present time we are speaking on an amendment. The amendment is that this bill be referred back to the committee to discuss the interest clause, which is clause 3, and the suggestion that it be reconsidered by the government. Therefore, in discussing this, we are discussing the matter of interest, and the question of whether or not the producer should bear the burdens of that interest. I am not going to enter into the question of whether or not members of the other opposition parties supported our position on this measure throughout the whole debate. I should like to say that we welcome their support and are glad to be with them.

An hon. Member: You will be glad to be with us.

Mr. Castleden: Well, since the hon. member has interrupted I will read to him a passage from the speech—

Mr. Speaker: Is this quotation on the interest rate, which is the subject matter of the amendment?

Mr. Castleden: At the resolution stage the hon. member for Acadia made a statement as to what was their stand.

Mr. Speaker: I think that matter has been fully dealt with not only by the manner in which hon. members have voted at previous stages but also by the speeches that have just been made. The hon. member will certainly do well at this moment to speak to the amendment.

Mr. Castleden: Well, I should like to refer the members of the Social Credit party to page 618 of *Hansard*, where they can read the final statement of the hon. member for Acadia at that time.

Some hon. Members: Order.

Mr. Castleden: We are very pleased to have them supporting us and we support them at this time in opposing the legislation.

Mr. Speaker: Order.

Mr. Castleden: Surely the responsibility of placing the interest charge on the producers rests squarely on the government. We are discussing a clause which we think should be referred back to the committee so the interest charge may be deleted. The bill introduced is referred to as a bill to provide loans for producers in farm areas. I maintain it should not be called an act to provide prairie producers with interim financing, but rather an act to provide guarantees to bankers with respect to loans. Also I think the producers should not be compelled to carry the burden of interest because of a situation that has been brought about by the actions of the government.

The Minister of Trade and Commerce (Mr. Howe) stated, "It is the duty of the Minister of Trade and Commerce to sell wheat and it is the duty of the Minister of Transport to move the wheat." I understand the Minister of Transport has given his answer. We maintain it is because of the failure of these two ministers to carry out their duties that the present situation has been brought about. Therefore if the government is responsible for the situation it should bear the burden of interest. That is why we want this clause taken out of the bill. We say that the government should assume the cost of carrying the interest charges on all these loans.

Opposition to the measure largely stems from the fact that members of the opposition feel that an injustice is being done. We have tried to be as emphatic as possible. We have filled some 254 columns of *Hansard* with our opposition, the official opposition 150 columns, the Social Crediters 108 and the government 98.

Mr. Speaker: Order. I am getting to be of the temper, if I may be permitted to have one, to use the provisions of standing order 34, paragraph 2, to the full. If it becomes obvious to me that hon. members have nothing else to say with regard to the bill which is relevant to what is supposed to be a debate on third reading, then I do not think I should sit here merely to preside over debates where members are doing nothing but repeating what has been said over and over again. Standing order 34, paragraph 2, reads as follows:

> Mr. Speaker or the chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance, or repetition, may direct him to discontinue his speech, and if then the member still continues to speak, Mr. Speaker shall name him, or, if in committee, the chairman shall report him to the house.

I want to tell hon. members that they can debate as fully as they wish the third reading of this bill within the limits prescribed by the rules, but I will not stand for any abuses of the rules.

Mr. Castleden: I shall be very pleased to bow to your ruling, Mr. Speaker. I do submit, however, that these figures have not been used before.

Mr. Harris: That is not the point.

Mr. Castleden: In speaking in opposition to this measure again, may I say there are very many reasons for us to oppose it and almost any reason we give from now on must be based on the fact that the government has failed in its duty. We oppose the bill because it does absolutely nothing to remedy the cause of the situation existing in the west today. We are opposing third reading of the bill to show that we are continuing our opposition throughout. The bill before us is a bill to relieve what is called a temporary cash shortage situation, I note that under clause 9 it can be perpetuated by order in council of the government.

Mr. Speaker: Order. The amendment deals with clause 3.

Mr. Castleden: I can probably return to that after we have dealt with the amendment now before the house. I think the points I wish to make are clear. We think that the responsibility for carrying the burden of interest should not rest on the backs of the producers. Therefore we support the amendment which will send the bill to a committee

to reconsider it and, if possible, wipe out the clause having to do with interest.

The house divided on the amendment (Mr. Argue) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fleming
Fulton
Gillis
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Patterson
Pearkes
Perron
Quelch
Regier
Robinson (Bruce)
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—71.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Cameron (High Park)
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Clark
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Fairey
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Gour (Russell)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
LaCroix
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Martin
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters—146.

Mr. Speaker: I declare the amendment lost. Is the house ready for the question? The question is on the third reading of this bill. Those who are in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members. Do hon. members consider that for the purpose of this division their members have been called in?

Some hon. Members: Agreed.

Mr. Speaker: Would the whips so indicate? The whips having so indicated, the question is on third reading of this bill.

The house divided on the motion (Mr. Howe (Port Arthur)) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Cameron (High Park)
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Clark
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Fairey
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Gour (Russell)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
LaCroix
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Martin
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Weir
Weselak
White (Waterloo South)
Winters—147.
Valois
Viau
Villeneuve
Weaver

NAYS

Messrs:

Knowles
Leboe
Lennard
Macdonnell
MacInnis
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Patterson
Pearkes
Perron
Fulton
Gillis
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fleming
Quelch
Regier
Robinson (Bruce)
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—70.

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

WHEAT

PROVISION FOR PAYMENT OF CARRYING COSTS OF TEMPORARY EXCESS RESERVES

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the third reading of Bill No. 83, respecting the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board.

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

COMMITTEE ON ESTIMATES

MOTION TO APPOINT SELECT COMMITTEE

On the order:

Resuming the adjourned debate on the motion of the Prime Minister: That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Hon. W. E. Harris (Minister of Finance): I think it would do to call it five o'clock, sir.

Mr. Speaker: Is it agreed that I do now call it five o'clock? Hon. members realize we must have unanimous consent for this purpose.

Some hon. Members: Agreed.

PRIVATE BILLS

MORRIS GILBERT

On the order:

Second reading of Bill No. 109 (Letter W-3 of the Senate), intituled: An act for the relief of Morris Gilbert.—Mr. Hunter.

Mr. Speaker: There are several divorce bills that are coming up for second reading. What are the wishes of hon. members at this time? Shall I call them all in one motion?

Mr. Stanley Knowles (Winnipeg North Centre): It is not my wish, speaking for myself only, to discuss any of these bills individually today. They will come back to us on another occasion. I would make the request, however, that with respect to the bills in connection with which we have not received the evidence, they might be allowed to stand. I recognize that this is only a request and that I cannot demand it, but on that basis I would be willing that the other 30 bills be considered in one motion if the house so wishes. However, with respect to the five bills for which we do not have the evidence, I suggest that they stand. They are Bills Nos. 124, 125, 139, 141 and 143.

Mr. Speaker: As I informed the house the other day, I do not recognize that the hon. member has the right to make that request but I said it was a matter of accommodating ourselves. I do not suppose hon. members have any objection.

Mr. Knowles: The alternative would be to call them one at a time and I could move the adjournment of the debate on each of those five bills.

Mr. Speaker: Yes, and the hon. member may speak on any bill and we may not pass any of the bills today. I understand that, but as I said, we want to accommodate ourselves and I think hon. members will agree to have Bills Nos. 124, 125, 139, 141 and 143 stand. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Shall all the other divorce bills standing on the order paper be read a second time now?

Some hon. Members: Agreed.

Mr. Knowles: On division.

[Mr. Howe (Port Arthur).]

SECOND READINGS—SENATE BILLS

Bill No. 109, for the relief of Morris Gilbert.—Mr. Hunter.

Bill No. 110, for the relief of Margaret McDonald Williamson Gebbie.—Mr. Hunter.

Bill No. 111, for the relief of Gwytha Olwyn Lillian Pring Evans.—Mr. Hunter.

Bill No. 112, for the relief of Georges Durand.—Mr. Hunter.

Bill No. 113, for the relief of Mary Rose Kenny Deline.—Mr. Hunter.

Bill No. 114, for the relief of Katherine Marle Saretski.—Mr. Hunter.

Bill No. 115, for the relief of Rose Juliana Evelyn Kedroskie Quincey.—Mr. Hunter.

Bill No. 116, for the relief of Jeannette Morin Parent.—Mr. Hunter.

Bill No. 117, for the relief of Mona Ruth Davis Goldberg.—Mr. Hunter.

Bill No. 118, for the relief of Ruth Goodman Silverstein.—Mr. Hunter.

Bill No. 119, for the relief of Simonne Auger Boule.—Mr. Hunter.

Bill No. 120, for the relief of Leslie Archibald Hood.—Mr. Hunter.

Bill No. 123, for the relief of George Hugh Wadge.—Mr. Hunter.

Bill No. 126, for the relief of Marion Mildred McKnight Newman.—Mr. Hunter.

Bill No. 127, for the relief of Marie Laura Francoise Lamothe Newcome.—Mr. Hunter.

Bill No. 128, for the relief of Frances Caplan Sirota.—Mr. Hunter.

Bill No. 129, for the relief of Joyce Smith Gwinnell.—Mr. Hunter.

Bill No. 130, for the relief of Joan Sheila Rosser Roland.—Mr. Hunter.

Bill No. 131, for the relief of Shprintza Gelber Shildkraut.—Mr. Hunter.

Bill No. 132, for the relief of Sabina Rosenzweig Rosenblum Faust.—Mr. Hunter.

Bill No. 133, for the relief of William Eugene Chabot.—Mr. Hunter.

Bill No. 134, for the relief of Joseph Charles Sylvio Demers.—Mr. Hunter.

Bill No. 135, for the relief of Florence Ethel Bigelow Hamilton.—Mr. Hunter.

Bill No. 136, for the relief of Amy Katharine Newman Cowans.—Mr. Hunter.

Bill No. 137, for the relief of Sara Martin Lesser.—Mr. Hunter.

Bill No. 138, for the relief of Annetta Smith Marchand.—Mr. Hunter.

Bill No. 140, for the relief of Dorothy Mary Humphreys Pepper.—Mr. Hunter.

Bill No. 142, for the relief of Hilda Sarah Twyman Gagnier.—Mr. Hunter.

Bill No. 144, for the relief of Donald Henry Emslie.—Mr. Hunter.

Bill No. 145, for the relief of John Wesley Hamilton.—Mr. Hunter.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

On the order:

Second reading of Bill No. 148 (Letter Z-2 of the Senate), intituled: An act respecting Quebec North Shore and Labrador Railway Company.—Mr. Brisson.

Mr. Speaker: In the absence of the sponsor this bill will stand.

CRIMINAL CODE

AMENDMENT RESPECTING POLLUTION OF INTERPROVINCIAL RIVERS

Mr. J. G. Diefenbaker (Prince Albert) moved the second reading of Bill No. 66, to amend the Criminal Code (nuisance).

He said: Mr. Speaker, in rising to move the introduction of this amendment, I will first read the amendment and then refer to the pertinent section. The amendment, 165(A), which I move, is that:

The Criminal Code, chapter 51 of the statutes of Canada, 1953-54, is amended by inserting therein the following section:

"165A. Every owner, lessee, or person operating any industrial plant, oil refinery, chemical works, sawmill or other plant or works, or any other person, who discharges or throws or allows to be discharged or thrown any noxious waste product, raw sewage, oil, sawdust, chemical or other matter or thing into a river, stream or other water any part of which is interprovincial or which flows into any interprovincial water, which has the effect of endangering the lives, safety, health or comfort of the public is guilty of

(a) an indictable offence and is liable to a fine of twenty-five thousand dollars for a first offence and of fifty thousand dollars for a second offence or

(b) an offence punishable on summary conviction.

The section of the Criminal Code to which I wish to add the section in question is section 165, which reads:

(1) Every one who commits a common nuisance and thereby

(a) endangers the lives, safety or health of the public, or

(b) causes physical injury to any person, is guilty of an indictable offence and is liable to imprisonment for two years.

(2) For the purposes of this section, every one commits a common nuisance who does an unlawful act or fails to discharge a legal duty and thereby

(a) endangers the lives, safety, health, property or comfort of the public, or

(b) obstructs the public in the exercise or enjoyment of any right that is common to all the subjects of Her Majesty in Canada.

In other words, the amendment which I am suggesting is to cover the general situation arising out of the pollution of interprovincial streams in Canada. In the case of navigable streams offences are created in so far as the Fisheries Act is concerned when anything in the nature of an effluent and the like is dumped into a stream and causes harm to fish; but in so far as interprovincial rivers are concerned, as the law stands today there is practical immunity for those who dump effluents into the river because of the wording of the section in question which permits wanton and wilful pollution of streams when there is no effect upon the health and comfort of the individual.

There are many examples of this, one outstanding example being the majestic Ottawa river which adjoins these parliament buildings. I believe that in the realm of God's richest bounty clean river water should have a high place and ought not to be allowed to be sacrificed to private greed or to wanton and wilful pollution. There is nothing today in the law to protect the public against wanton and wilful pollution by a small minority who for their own purposes contemptuously disregard the public interest in so far as interprovincial rivers are concerned.

This problem has been before the house on two previous occasions. At the time the amendments to the Criminal Code were before the house I placed before hon. members details of a situation which had arisen on the North Saskatchewan river whereby the residents of North Battleford and Prince Albert in Saskatchewan and The Pas in Manitoba were for a long period of time unable to utilize the waters of that great river because of acts of pollution taking place in the province of Alberta. Those acts of pollution took place east of Edmonton and because there was little or no interference with personal enjoyment of those waters in the province of Alberta we in Prince Albert found ourselves in the position where there was little or nothing we could do to protect our people—the same applied to North Battleford and The Pas—from the action of those who were pouring effluents into the stream in Alberta.

There was a time when there was little interest in this matter, but today more and more people are commencing to realize the awfulness of the possibility that these magnificent streams will be so polluted as to constitute nothing but floating sewers. *Forest and Outdoors* of June 1945, the official publication of the Canadian Forestry Association, summed up the situation in these words:

Dump a few tons of muck in the middle of Lafontaine park or the C.N. exhibition grounds and such screams of indignation will rise that the noise will sound like an H-blast.

Yet every day millions of tons (correct: millions of tons) of sewage and industrial waste are dumped into Canada's rivers, streams and lakes, and few people give it a thought.

The article then goes on to indicate the terrific nature of this problem which has intensified in extent and amount during the last 25 or 30 years to a degree that never could have been contemplated at the beginning of that time. There is reference to the Ottawa river as follows:

Two provinces get into the Ottawa river picture. The unsavory, bacterial and chemically poisonous flotsam of Ontario (thus runs the report by Dr. Lucien Piche available from the Quebec biological bureau, University of Montreal, in effect) flows into Quebec down the Ottawa river, and as it goes it mingles with similar outpourings and offscorings from Quebec itself. It is not what you might call a pastel picture.

There is no way of meeting this problem from the provincial point of view. I think it was the Minister of Justice (Mr. Garson) who suggested that there would be a right to proceed by way of injunction in the province of origin because of effects created in an adjoining province on an interprovincial river. An eminent counsel, a former president of the Canadian Bar Association, Mr. McCuaig, Q. C., of Edmonton, has said that he knows of no such right under the law as it is now constituted.

The situation in the United States became so serious that in 1948 a federal board was set up. In that country the criminal law rests with the state. The federal control board in combination with those who implement the criminal law in the several states has been able to meet this problem in part.

It is because this problem must be faced that I bring this amendment before the house. If it is not faced, in a very few years all over Canada interprovincial streams will be subject to the same pollution as the Ottawa river is today and as the North Saskatchewan river is rapidly becoming. When this matter was before the house beginning on March 18, 1955, the Minister of Justice claimed that it was a matter for the provinces. I face that challenge immediately and point out this fact: Not only is there no right for anyone in Manitoba to take proceedings even though he is adversely affected by the waters of the Saskatchewan flowing into his province because of what takes place in Saskatchewan; there is no means by which provinces can achieve that degree of united purpose which would meet this problem. In the month of July, the city of Ottawa asked the federal government to investigate the pollution situation on the Ottawa river. On July 14, 1955, I brought this matter up in a question recorded on page 6109 of *Hansard* as follows:

[Mr. Diefenbaker.]

I should like to direct a question to the Prime Minister. Has the government received an application from the corporation of the city of Ottawa to investigate the pollution situation in the Ottawa river? Is it the intention of the government to set up a commission to investigate the question of pollution of navigable waters? If so, would the Prime Minister give consideration as well to having any commission investigating the serious pollution situation in the Ottawa river also include interprovincial rivers in other parts of Canada?

The Prime Minister used these words:

I have received no application yet from the city of Ottawa although I have read newspaper reports, which are frequently ahead of the actual accomplishments that they seem to be reporting. The matter of water pollution is a matter of concern to all forward-looking Canadians. We are going to have a larger population in this country than we have at the present time. It is a serious matter because, of course, pure water is essential to the comfort of the population. Nothing specific has been done about it yet but we are all thinking of what will be the best way to assure even to future generations that the bountiful supply of water with which nature has endowed this country is going to be available in potable form for their use.

I commend those words. They represent a statesmanlike view of the situation and of the need for action. That was on July 14, 1955. I then asked the Prime Minister a further question:

Would the Prime Minister say whether or not some amendment to the Criminal Code in order to punish wrong-doing of the kind might be within the consideration of the government?

The Prime Minister said:

All means should be explored and considered seriously to achieve the desired objective. I would not like at this time to say that the federal government is going to take the initiative. It is normally, or has been in the past normally, a matter of local and private interest for each locality. We do not want to be looked upon as going beyond what is reasonably within our jurisdiction. I regard it as something that is of concern not only locally but nationally for the future of the country. I am sure it is something which will be discussed, or at least will be talked about, at the next federal-provincial meeting. I think it will be possible to create an atmosphere where no one will regard the other one's activities as overstepping what he should be concerned about.

In that statement the Prime Minister said that it has normally been a matter of local interest. I immediately challenged that suggestion with reference to an interprovincial river. It is of more than local interest. When a river crosses the boundary lines of one or two provinces it immediately becomes the concern of the federal government. The federal government concerns itself over the comfort and health of fish in that type of river. Is it too much to ask that the same regard be given to the demands of human beings? Certainly the situation is very serious.

In Prince Albert today we are back in a position in regard to which, if I were to read some of the descriptive words about the nature of the pollution of the water in that city of 20,000 population, I would certainly be regarded as using unparliamentary words. I am taking the north Saskatchewan as an example because I live there. The situation is so serious that on two occasions for over two months one could not take water out of the tap. The stench was such that it was impossible to utilize that water. The situation is bad again this year but not as serious as it was two years ago. That is because one of the corporations has made a great effort and gone to great expense in order to remove its contribution to the pollution of that stream. The Prince Albert *Daily Herald* described it in these words on January 18 of this year in an editorial:

> That we should be subjected to this annual scourge of polluted water is a crime, we are all in agreement. It is on the question of what can be done about it that opinion loses unanimity.

I am not going to read what has been done. There has been a great deal of co-operation on the part of the government of Alberta with the government of Saskatchewan and with the authorities in Saskatchewan, but the problem still remains. I repeat that it cannot be met through the courts under the law as it now stands. I mentioned Mr. McCuaig's opinion. I quote from the—

Mr. Garson: I wonder if my hon. friend would like to quote Mr. McCuaig's opinion in full, so that we shall know exactly what it comprehended?

Mr. Diefenbaker: I am quoting from the report on Mr. McCuaig's opinion by the mayor of Prince Albert:

> I met with Mr. McCuaig, who was our legal counsel in Edmonton, during the 1953 pollution outbreak. I discussed the possibility of obtaining an injunction against the city of Edmonton on the grounds of their polluting our water supply. He informed me of the legal difficulty of a city in one province obtaining an injunction against a city in another province, and stated that as yet he has found no legal method by which this can be accomplished.

Mr. Garson: May I ask my hon. friend if we are clear that Mr. McCuaig's opinion did not deal with an invocation of the Criminal Code section dealing with common nuisance? I had rather understood my hon. friend on a previous occasion in this house to indicate that Mr. McCuaig had expressed an opinion that the nuisance section in its present form could not be invoked. Apparently that is not the case.

Mr. Diefenbaker: My hon. friend will again bring up that argument. I am saying that there is no civil recourse, and it should not be necessary on an interprovincial scheme to have active and wanton pollution whereby people are denied the God-given water that in the years to come will become less and less available to the people of this country because of the improper acts of those who disregard the rights of others. There has been only one case on the subject since we dealt with this on the last occasion; that is an outstanding judgment by Mr. Justice Caron in the district of Montreal, in the case of Jacques Drouin and the city of Dorval. In that judgment, for the first time the judge goes as far as to determine that riparian owners on navigable waters have a right of action; but nowhere is there any authority for the right of an individual on an interprovincial river that is not a navigable stream within the meaning of the federal legislation applicable to navigable streams in this country.

Mr. Garson: My hon. friend is now speaking about civil action.

Mr. Diefenbaker: That is what I am saying. I am saying there is no civil right and that therefore there must be something in the nature of criminal proceedings. That is what I am leading up to. There is not such a right today under the criminal law. The opinion of counsel has been given that the section in question, dealing with nuisance, does not allow for any proceedings being taken under the Criminal Code as now constituted.

Having first pointed out that the person has no civil rights on an interprovincial river whose water supply has been polluted, I am now endeavouring, following that, to show that the only means is to put teeth in the criminal law so that wrongdoers who would take advantage of the situation and thereby destroy this bounty of nature shall be severely punished. I have a description here of the terrible conditions prevalent on the Ottawa river. It is to be found in an article by Reg. R. Fife in the January, 1955 issue of *Rod and Gun*. He points out that today, as far as the Ottawa river is concerned, less than 150 miles of water takes the domestic and industrial sewage, including all effluents, of 800,000 people and several large polluting industries, or the sewage of 5,000 people per mile of river. The article goes on to say:

> Now polluting industries are quick to point out that their effluent or waste waters have no harmful bacteria and so are not dangerous to public health. However, the power of the water to assimilate and destroy the bacteria . . . is decreased because the water uses its oxygen to oxidize the industrial wastes.

I can see no reason why the attitude of the minister has been in opposition to such an amendment being made. Last year he raised

objection to the fact that my amendment did not include municipal pollution. That was done for a purpose. Municipal pollution is a matter for each of the provincial health departments. The responsibility to assure that municipalities shall live up to the law becomes a matter of individual concern to the several departments of health in the several provinces. But so far as an interprovincial stream is concerned there is no responsibility on anyone, and why the minister should take the stand that a matter of serious moment such as pollution should not be covered by an amendment to the Criminal Code is rather difficult to understand. Indeed, in the March, 1956, issue of *Rod and Gun* there is an editorial that sums up the situation and I adopt what it says therein. It reads:

> Before the House of Commons as we go to press is a bill which would make it a criminal offence to pollute interprovincial waterways beyond the point of human safety and comfort.

Then it goes on to say what the suggested fine is.

> *Rod and Gun* readers will remember that pollution from the area of the city of Edmonton swept down the 400 miles of the North Saskatchewan river to Prince Albert in neighbouring Saskatchewan. It so affected the taste and purity of the water there that residents of P.A. were quite rightly up in arms over the whole thing. The water was unfit for human consumption—especially if you were the human that had to drink it. It is also almost certain that it had killed every game fish in the river over that 400 miles . . . There was enough evidence of dead fish around the P.A. water intake to further disturb the residents of that fine city.
>
> In all the uproar that followed . . . the most significant thing to come out was that there is no legal machinery to properly handle pollution of interprovincial waterways. In fairness to the firm in Edmonton that some investigators feel was responsible for the first outburst it must be stated that they have, without any pressure from anyone, spent over $150,000 to try to reduce the noxious properties of the waste water they discharge into the river. However, just because one firm has done this is no guarantee that others will follow suit. And it may be stated with certainty that more than one Edmonton industry is discharging polluting substances into that river, just as there is more than one industry responsible for the deplorable situation on the once magnificent Ottawa river . . .
>
> This problem is quite different legally from that posed by pollution entirely within provincial boundaries which then becomes a provincial matter unless the offence involves those waters affected by the Fisheries Act, regulations under the Migratory Birds Convention Act, national harbours board regulations concerning the protection of navigable waters or regulations under the Canada Shipping Act.
>
> Certainly there is a lot to be done within provincial boundaries, and in every province in Canada, where a shirking of responsibilities on the part of elected officials combined with a base display of public apathy has given us a situation that is close to desperate in several areas.
>
> The Canadian parliament has before it a bill which can correct a long standing and evil situation. . . . For these public waters do not belong to us. They are there for us to use and to enjoy, for us to build a great nation upon. But they are not ours to defile and to destroy. They are a part of the priceless heritage it is our duty and our privilege to pass on to other generations of Canadians.

That in general is the representation I wish to make in support of the amendment I suggest. It will put teeth in the law. As the law stands today there is no right under section 165, the present nuisance section, or any other section of the Criminal Code, to prosecute wrongdoers on interprovincial rivers. All that section will do is to cover the individual who dumps a bit of stuff into a river within the province in which the prosecution takes place. But nowhere and under no authority can anything be done by people living in provinces adjoining the province in which the pollution has taken place. The penalty—

Mr. Garson: I wonder whether my hon. friend would permit a question at this point? Under the amendment to the Code which he proposes, if someone in Edmonton were guilty of an offence under it, which offence caused difficulty in Prince Albert, would he not agree that the prosecution of that offence would have to be conducted by the Alberta law enforcement authorities?

Mr. Diefenbaker: I do not have before me the section of the Criminal Code that covers exactly that type of thing where an offence happens affecting two jurisdictions. One of the earlier general sections of the Criminal Code provides for eventualities similar to that; but whether or not my hon. friend is correct, suppose the pollution took place in the province of Alberta: all that would need to be done would be for a charge to be laid in the province of Alberta and the witnesses transported to the place of trial within Alberta.

Mr. Garson: May I ask my hon. friend another question? If that be so, then would not the same condition of affairs and the same reasoning apply to a charge for committing a common nuisance which had been committed in Alberta, which caused a bad effect in Prince Albert and which could be prosecuted in Alberta by taking Saskatchewan witnesses to Alberta for that purpose?

Mr. Diefenbaker: With that general proposition I am not in agreement. In making pollution on interprovincial rivers a criminal offence I think the prosecution could be taken in either place, where the pollution actually took place or in the province in which the effects of that pollution were felt. The ordinary nuisance section as it now stands reads:

> Every one who commits a common nuisance and thereby

(a) endangers the lives, safety or health of the public, or

(b) causes physical injury to any person . . .

If the section as it now stands covered cases such as this, then a person in Prince Albert or any other place in Saskatchewan affected by the pollution would be able to take a prosecution against the Alberta company. But as the law now stands, there is no provision whatsoever. That is not my opinion, although I entirely concur in it; that is the opinion of counsel. Under the law as it now stands, there is nothing that can be done by a resident in one province to meet the nuisance of pollution in an adjoining province.

Mr. Garson: Would my hon. friend permit a question at that point?

Mr. Diefenbaker: Yes.

Mr. Garson: Would he point out in his amendment the provision therein which makes it possible for a person in Saskatchewan to prosecute an offender in Alberta? What language in his amendment provides for that possibility?

Mr. Diefenbaker: I have already said it is the general principle covered by the general law and set out in detail in the earlier portions of the Criminal Code.

Mr. Garson: Mr. Speaker—

Mr. Diefenbaker: Just wait a minute. I have already said that under the section as it now stands proceedings could be taken in Prince Albert if the present nuisance section covered the situation. I say that it does not cover that situation because pollution of an interprovincial stream does not come within the law as it is now constituted. It is because of that fact that I want this amendment added so as to cover interprovincial streams. Then immediately there will be available the right of action and there will also be teeth in the law.

As the matter stands today the maximum penalty—even if the present section applied—on indictment is two years or the matter could be proceeded with by way of summary conviction in which case the maximum penalty would be $500. But $500 penalties, even if they were applicable, would be simply nothing to corporations which wantonly and wilfully pollute these waters. I go back to this principle, and I am trying to make it clear to my hon. friend. As the law is now, or as the section reads now, there is no right of action for the pollution of interprovincial rivers. The amendment will make it an offence.

However, if my hon. friend wants to take the stand that the present section meets the situation, then I ask him why he stands so firmly against an added section which will reinforce what he says is already there. Last year he took a different stand. Last year he took the stand that this was not a matter for the criminal law at all, in spite of the fact that that is the manner in which the United States has met the situation. It has met it, first, by a federal board and second, by each of the states having the authority over the criminal law joining in punishing those guilty of pollution of interstate streams.

My hon. friend cannot have it both ways. If he says the law today covers the situation, my answer to him is that no counsel who has been retained anywhere has come to that conclusion. If on the other hand—

Mr. Garson: May I be permitted to ask a question at that point?

Mr. Diefenbaker: Yes.

Mr. Garson: Were not the opinions which were given by counsel based upon a stated set of facts relating to the question that was presented to them and were the opinions not dealing with those facts and not with a general statement of the law?

Mr. Diefenbaker: As a matter of fact, Mr. Speaker, as an eminent counsel yourself you know that the only way in which counsel can come to an opinion is on the basis of the facts. There is nothing intricate about the facts in this case as far as Saskatchewan is concerned. The people cannot drink the water. Pollution takes place a few miles east of Edmonton. Those are simple facts. They are known facts. They are obvious facts. On the basis of those simple facts, unclouded in any way by any other considerations or any doubt as to the existence of any of those facts, counsel has advised that there is no right of action because this is an interprovincial stream and the section as it now stands does not meet the situation of pollution under those circumstances.

If my hon. friend were to say that possibly counsel did not get all the facts or that they might have been misstated, I would reply that there can be no mistake here. The simplicity of the facts is such that a child could understand them. The water is polluted. The people cannot drink it. They live on a river. They trace the pollution back to five miles or ten miles east of Edmonton. They establish that the pollution in fact took place there and on an earlier occasion. Those facts are simplicity itself. Upon those facts counsel gave his opinion.

Mr. Garson: I do not like to interrupt my hon. friend but may I say that these matters are all within his own knowledge and not within mine.

Mr. Diefenbaker: I beg the minister's pardon?

Mr. Garson: I say that I do not like to interrupt my hon. friend—

Mr. Diefenbaker: That is all right.

Mr. Garson: —but these matters are all within his knowledge and not within mine. May I ask him if one of these facts to which he refers was that it could not be established that the odour and the taste of the water in Prince Albert could be traced to a specific pollution which took place in Alberta? Of course, if that were the case, then counsel would give an opinion that there was no use of prosecuting because, on the facts, it would not be possible to bring the charge home to the accused.

Mr. Diefenbaker: Of course, Mr. Speaker, this is just a smokescreen, if I may say so with all due respect. On proceedings being taken, if the evidence was not available, then whether the law was changed or not, the result would not be a conviction. But accepting the facts that wrongdoing by pollution took place east of Edmonton and that the pollution which took place caused the noxious water in Prince Albert, counsel's opinion, on the basis of those facts, was that there is no right of action. He went even further and gave the opinion that there would be no civil right of action in our province for the wrong done in Alberta nor in the Alberta courts for the wrong done in Saskatchewan by an Alberta company.

Mr. Harris: What does my hon. friend think of that opinion?

Mr. Diefenbaker: I accept counsel's opinion. I do not place myself above a former president of the Canadian Bar Association.

Mr. Garson: Do you agree with it?

Mr. Diefenbaker: As a matter of fact, I agree that there is no right of criminal action and I take counsel's advice that there is no right of civil action. As a matter of fact, if you read the Caron judgment, you will find that while it says there is a right of action on navigable streams, it raises grave doubts as to whether on other streams there is any right of action. This is a most interesting judgment. I am not going into the facts. I have quoted the case so that anyone may read it. How doubtful the law is is indicated by the fact that this is the first case in which a riparian owner on a navigable stream has been upheld in an action arising out of pollution. That is the first case in which such a thing has happened. The judge did not arrive at that judgment without considerable doubt with regard to several of the conclusions to which he came. If there is any doubt as to the right of civil action, I ask why it is that the government is standing so adamant against giving people a little bit of protection under the Criminal Code.

They protect you under the Criminal Code for petty pollutions, for common nuisances. I should like to know. Is it because there are some strong interests that are opposed? Is it because some strong interests realize that if teeth are put into the law those interests are going to be placed in a position where no longer may they wantonly disregard the rights of ordinary citizens? Is that why? When the situation is as serious as the Prime Minister (Mr. St. Laurent) admitted last July, as serious as it now is—and in years to come it will become more and more serious—I put it to the Minister of Justice (Mr. Garson): why, in the face of the actions of individuals or corporations which put the public welfare at naught, does the government have such a resolute, such a relentless stand?

If my hon. friend says the amendment may not cover all the situations now, further amendments could take place. But give to the ordinary citizen in Canada this amendment and it will not be long before great corporations will realize that the public interest will hold them responsible under the code. I have exhausted my time, sir, but I do hope that the government has changed its attitude a little since last year, although I must say, having regard to the interruptions of the minister, it seems apparent to me that the crime of wilful pollution is still to be outside the ambit of the Criminal Code. I do hope he will give more consideration to it than he did last year, and thereby enable the preservation of one of the greatest resources that we have. Think of the magnificent Ottawa river, famed in legend and in history, and then think of it today, almost an open sewer because it is interprovincial. Surely that situation is but another example that calls for resolute action. The only way to do it is to put the fear of possible punishment in the hearts of those who would wantonly destroy God's greatest gift to mankind.

Mr. Charles Cannon (Iles-de-la-Madeleine): I had not intended to take part in this debate, but while listening to the hon. member for Prince Albert (Mr. Diefenbaker) a thought came to my mind which I felt I should put on *Hansard* and bring to the attention of the hon. member. I do not believe the solution

he proposes would be a practical one. It is not a solution for the difficulties that exist. It is not a proper method of preventing the pollution that is now taking place. I appreciate, as he does, the importance of the problem. He has indicated it to us very clearly.

But while listening to him I could not help thinking of the great pulp and paper industry in Canada, and especially in my province. When I think of the importance of that industry which produces 6 million tons of newsprint, of which 3 million are produced in my province, I cannot help but ask myself what would be the result of the legislation advocated by the hon. member. A good many of the mills engaged in the paper industry are situated on interprovincial streams. The object of my hon. friend would evidently be to prevent them from polluting the waters of these interprovincial streams. Unfortunately these mills cannot operate without dumping into the waters that run near the mill all sorts of refuse which, according to the definition of the amendment proposed to the Criminal Code, would be illegal. The amendment reads:

> Every owner, lessee, or person operating any industrial plant, oil refinery, chemical works, sawmill . . . who discharges or throws or allows to be discharged or thrown any noxious waste product, raw sewage, oil, sawdust, chemical or other matter or thing into a river . . .

No paper mill can operate without getting rid of the chemicals that have to be used in the manufacture of paper. Those chemicals have to run away in the water near the mill.

Mr. Diefenbaker: Would the hon. member permit a question?

Mr. Cannon: Yes.

Mr. Diefenbaker: He raises a very challenging point, but is it not a fact a similar situation has been met in the United States by demanding that those companies use proper destructive measures to neutralize the noxious properties of the things that they dump into the streams.

Mr. Cannon: I do not think it has been found possible, from a practical point of view, to do those things. In any case, there are also the waste wood products apart from the chemicals that flow into these waters.

My point is that the remedy suggested by my hon. friend would not be a practical one because it only consists of fines. Supposing you did condemn these paper companies to pay a fine. You could condemn them again and they would pay another fine. If you wanted them to observe the law to the letter and be absolutely immune from penalties, you would force them to close down. No one wants to see this great paper industry which produces 6 million tons of newsprint, a large percentage of which is exported, closed down. Everyone will agree to that. Therefore, I say it is not a practical solution. Some practical solution might be found if a committee were established to find a solution. But I say that simply passing a law to say that dumping refuse or matter into a river that pollutes it is illegal is not a solution to the problem. For that reason, I shall vote against the amendment if there is a vote called.

Mr. A. M. Campbell (The Battlefords): I am interested in this particular problem, Mr. Speaker, for the same reason that the hon. member for Prince Albert (Mr. Diefenbaker) is. I would correct him in one respect. I understood him to say that the water of the city of North Battleford had been polluted, but that is not exactly true. It is the town of Battleford that suffered from water pollution and not the city of North Battleford.

There was a lot of discussion and many questions were asked of the cabinet ministers during 1954 when the pollution of the North Saskatchewan river took place. It seemed to be almost impossible to establish what should be done to stop the pollution. We have not that immediate problem at the moment. The province of Alberta and the one chemical plant that was responsible for the pollution at that time have been doing good work. The question of pollution is not a problem today. There is always a chance of a recurrence. As I said last year, if we get another government in the province of Alberta or if that government gets lazy and careless and allows industry or whoever it is who dumps their refuse into rivers to get out of hand we will still have that same problem recurring.

The minister made a suggestion in 1954 which I thought was a good one. The people in my home constituency also thought it was a good one. We tried at that time to set up an interprovincial body to look after the water of the three western provinces. Two of the provinces were willing to work with that combination of the three provinces but one province refused to do so.

The only comeback that anyone has, as far as I can see, is to take action through the Criminal Code. This is probably a debate for lawyers rather than for laymen, but looking at it from a common-sense point of view, section 165 of the act is pretty vague. I know the minister takes a pretty definite stand as to its being strong enough but I would remind the minister that when the pollution took place in the city of Prince Albert in 1954 it took a long time to find out what the cause was and where the source was. Both the hon.

member for Prince Albert and I asked questions of the Minister of Fisheries, the Minister of National Health and Welfare and others. We asked all the ministers we could think of who might be connected with the problem as well as the Prime Minister. I can recall the Minister of National Health and Welfare saying on many occasions how complicated the whole matter was and how difficult it was to put the blame on any particular industry that was located 400 miles away.

The amendment to the Criminal Code that has been proposed reads as follows:

> Every owner, lessee, or person operating any industrial plant, oil refinery, chemical works, sawmill or other plant or works, or any other person, who discharges or throws or allows to be discharged or thrown any noxious waste product, raw sewage, oil, sawdust, chemical or other matter or thing into a river, stream or other water any part of which is interprovincial or which flows into any interprovincial water, which has the effect of endangering the lives, safety, health or comfort of the public is guilty—

It seems to me that it would be far easier for any lawyer or any court to find the source of the pollution and to get to the source of the pollution if this amendment were adopted. They will see that one industry is dumping refuse or that a certain city is doing so. They can see with their own eyes and the evidence is right there.

Mr. Garson: Will the hon. gentleman permit a question? If this amendment were passed would not his own city of Battleford, the day after it passed, be guilty of an offence under it?

Mr. Campbell: Could be; however, that does not absolve the town of Battleford if it is causing pollution in the river. It does not absolve it at all. I think the people of the town of Battleford are just as much interested as anyone else in the problem of pollution.

Mr. Garson: Will the hon. gentleman permit another question? Would he then suggest that the day after the act was passed all the municipalities and counties in Canada that were breaking the law be prosecuted?

Mr. Campbell: As I said, Mr. Speaker, when I began to speak, I am not a lawyer. It looks to me as if this amendment would clarify the act. I am not saying I am entirely in support of this amendment. What I want is something that will give us protection and I do not care whether the protection is the result of an amendment or a bill which comes from Tom, Dick or Harry, or the government or anyone else. I want protection for my people. If the minister can stand up and show us that this bill is no good and that it will not work, that is fine; what I want him to do is to give us a solution to the problem.

An hon. Member: A solution to the pollution.

Mr. Campbell: We have had a lot of pollution in Eastern Canada about which I have been reading just recently in the report on the boundary waters commission that was set up in 1946 between the United States and Canada. Anyone who reads that report realizes the terrific problem pollution presents all over Canada. I have been speaking of only one small part of Canada.

The hon. member for Prince Albert (Mr. Diefenbaker) and I and others are interested in seeing that what happened in 1954 never happens again, and if the minister has a solution that is better than the one proposed by the hon. member for Prince Albert, I will be all for it.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in the very few minutes that are left before six o'clock I should like to emphasize that so far as the government is concerned we are deeply sympathetic with the objective of the hon. member who has introduced this bill. What we doubt is the efficacy of the method which he proposes to use. The hon. member is quite right in saying that not only in Canada but throughout North America, and I dare say throughout most of the industrialized and civilized world, this problem of the pollution of water courses is encountered.

Mr. Diefenbaker: But others have acted.

Mr. Garson: My hon. friend says that others have acted.

Mr. Diefenbaker: Yes.

Mr. Garson: If my friend had read some other issues of the magazines which he was quoting here today, *Rod and Gun*, for example, about the conditions in the United States I am sure he would not say others have acted. I am sure my hon. friend can himself recall many articles in various sporting magazines in which attacks have been made upon pollution in the United States, which indicated that the extent of pollution there was more widespread and much more intense than anything which we have encountered in western Canada.

The whole question here concerns what is the best method of solving this problem of pollution. With great respect to my hon. friend the member for Prince Albert who, as we all know, is one of the most able and eminent criminal lawyers in Canada, I might say I think he carries his professional complex into the present problem. I do not think a solution can be found for the problem of pollution in Canada by police court proceedings; I really do not think so; for as the

question which I asked the hon. member for The Battlefords just a moment ago would indicate—

Mr. Knowles: Six o'clock.

Mr. Garson: —if we pass the amendment he has proposed we will be in the position to prosecute, I would just hazard a guess, at least 50 per cent of the industries and the urban municipalities of Canada the morning after it is passed. Let us suppose we prosecute them all, bring them into court and fine them. What contribution have we then made to the solution of the problem?

Mr. Diefenbaker: Would the minister allow a question? Last year when the wording was identical the minister said it did not cover municipalities. This year he said it does. Is this not a fact?

Mr. Garson: No. I think my hon. friend is wrong in that. If he will refer to *Hansard* he will see that my remarks had relation to an amendment to his amendment which was moved by the hon. member for The Battlefords.

Mr. Diefenbaker: It is exactly the same.

On motion of Mr. Garson the debate was adjourned.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair. May I remind hon. members that at eight o'clock the house will resume the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

COMMITTEE ON ESTIMATES

MOTION TO APPOINT SELECT COMMITTEE

The house resumed, from Thursday, February 9, consideration of the motion of the Prime Minister:

That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, when this motion standing in the name of the right hon. Prime Minister (Mr. St. Laurent) for the appointment of a select committee to consider certain estimates was before the house some days ago I spoke briefly and in the course of my remarks dealt with the origin and purpose of the committee as they were revealed to us, at least in another parliament, the parliament of the United Kingdom, and also with some of the thoughts expressed in this parliament when we first decided to set up such a committee.

I suggested that the proper purpose was not so much to relieve parliament as a whole of work as to enable parliament better to accomplish its job of reviewing government expenditures. In that connection I think I can say fairly that all are agreed that for the task of making a detailed review of the estimates the committee of supply is a somewhat cumbersome method of proceeding. Therefore it has been decided, if I interpret the feeling of the house correctly, that this committee should be set up which will make a detailed examination of such departments as may be referred to it and that in the course of those examinations it should do the job which the committee of the whole house sitting as the committee of supply cannot do.

What I want to suggest this evening in the few minutes remaining to me is that the special committee on estimates, as set up last year and as envisaged in the motion presented to us by the right hon. Prime Minister, cannot do the job which parliament desires should be done. It cannot do the job because it is much too limited and circumscribed by its terms of reference. The motion reads:

That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

There are certain very obvious limitations upon the power of that committee if the committee is appointed only on the basis of that motion. The first and most obvious limitation is that the committee will have no power to call for persons, papers and records; it will have no power to call witnesses. The second obvious limitation is that the committee will have before it for consideration only such estimates as the government by the control of its majority in the house may refer to it. I think in those two respects the committee will be seriously hampered in its job of making a detailed, impartial and independent examination of the estimates.

We saw last year in the work of the committee which was set up then for the first time, and which it is true operated to some extent on an experimental basis, just what those particular limitations meant. Let us take the first limitation I mentioned, namely that the committee has no power to call witnesses. What does that mean? It means that all that is to be presented to the committee is the evidence which the government is prepared to have presented to it. That was our experience last year.

We moved in committee that we be given the power to send for persons, papers and records, and that motion was denied. That motion and different variations of that motion were moved on a number of occasions and each time it was denied because the government spokesman on the committee said it was not the government's intention that we should have the right to hear anyone but the people the government wanted to present to us.

So what happened? I was a member of the committee while it was reviewing the estimates of the Department of Citizenship and Immigration. The Minister of Citizenship and Immigration (Mr. Pickersgill) had himself made a member of the committee. Every time we asked for power to call witnesses the minister said it was not desirable or necessary that we should call for witnesses, that he and his departmental officials were prepared to answer all questions we might lay before the committee. Well, sir, I know and you know as a practical politician that the only witnesses whom the department was prepared to submit to the committee were those who—

Mr. Speaker: I object at the present moment to being referred to as a practical politician.

Mr. Knowles: Your Honour is not an impractical one.

Mr. Fulton: Your Honour is neither impractical nor unversed in the art of practising politics. Your Honour does not practise them in this house but you know what is meant by the term practical politician. What happened was what could be expected to happen. We got only those witnesses that the government was prepared to allow to come before us, and those witnesses were to say only those things which the government was prepared to have them say. So far as an independent expression of opinion in the operation of government departments was concerned, its ability to obtain an expression of opinion which did not reflect the government's point of view with respect to the operation of the department, the committee was completely ineffectual.

I think we should contrast the method of operation of the estimates committee in the United Kingdom. There the committee is master of its own procedure. It is true that on the committee there is a majority from the government party which is natural in the composition of a committee made up of members of the house, but they have established the principle, first, that the committee shall have the power to call witnesses as it may determine and, second, that the committee itself will decide what departments or what segments of a department it shall investigate.

The committee does that without any prior notice to the department concerned or indeed to the government itself. They break up into a number of sub-committees and a sub-committee will decide what branch of the government's operations it wishes to investigate. The sub-committee reports back to the main committee and the main committee then authorizes it to proceed in that way. I am making these remarks on the basis of a memorandum supplied to the hon. member for Eglinton (Mr. Fleming) by a member of the United Kingdom parliament.

The committee descends without warning on a government department and says, "We want you to tell us what you have in mind when you ask for this appropriation of X thousand pounds." The government department has no opportunity to prepare its case and it is not protected by the minister having the right to say what witnesses shall be heard by the committee or by the minister having the right to call upon only those departmental officials whom he is prepared to present.

That is a true outline of the conditions under which our committee was compelled to work last year and will be compelled to work this year under the terms of the reference we now have before us. We were confronted last year with the absurd situation that we did not have the power to call witnesses as a committee while the minister of the department under investigation had the power to say which of his officials would come and speak. The committee had no power to call witnesses while the minister was able to speak as a member of the committee and say, "I have decided that I shall get the deputy minister, or the director of this branch, or the director of that branch, but when he speaks he cannot speak as a witness, he speaks as the emanation of the minister." Those were the words used by the Minister of Citizenship and Immigration to describe the status of the officials of his department before the committee.

What more frustrating, what more absurd or ridiculous situation could a committee of this house be placed in? It simply could not come to grips with the department. It had to deal only with those who the minister said would be called before it. When they spoke, they spoke as emanations of the minister and, of course, they were bound to reflect and to defend the government's policy.

Whatever may be said as to the nature of this committee—and I am going to move

an amendment that the committee be empowered to send for persons, papers and records—I fancy it may be said by the Prime Minister, or by the Minister of Finance in his capacity as house leader, that this committee is still an experimental committee. I say to you, Mr. Speaker, that if this experiment does not succeed it will be a sorry day for parliament, and this committee will not succeed unless it is given a fair chance. The committee will not be given a fair chance unless it is allowed to do the job parliament and the country would like to see it do.

I wish to impress upon the government the fact that the United Kingdom parliament, the parliament of a country which is sometimes regarded as essentially, I was going to say "conservative" but if you do not like the word I will say "cautious", in its approach to such questions, when it set up a committee in 1912 with some misgivings from some members of that house, did not hesitate to give it all the powers it needed to do the job. The motion, as I have said, was introduced by the chancellor of the exchequer, Mr. Lloyd George. It was an experimental committee. It was a new departure, but they set it up with all the powers it needed. Here are the terms of reference of the United Kingdom committee, as found on page 360, volume 37, fifth series, of the United Kingdom *Hansard*. It was decided that a select committee be appointed to examine into and report on such of the estimates presented to the house as might seem fit to the committee. The committee had the power to decide which departments it would examine. After discussion, when the motion to set up the committee was carried, as a matter of course—as we find recorded in the United Kingdom *Hansard*—after the vote approving the committee had been carried, the question that the committee have power to send for persons, papers and records was put and agreed to.

So in that parliament, from which to a large extent we take the guiding principles of the procedures we follow here—and in this connection I suggest we could take a great deal of guidance for the work of this committee on estimates, because they do most important, far-reaching and beneficial work—they had no hesitation in giving this committee the power it needed to allow it to function in the interests of parliament as a whole, and not just in the interests of the government to be, what it can only otherwise be, a whitewash committee to defend the government's program as revealed through the estimates. They gave it the power to send for persons, papers and records, the first time they set it up. That was in 1912, and it is now 1956. Surely this government is not so reactionary that after 44 years of the example of what they do in the United Kingdom and all the benefits that will follow, they will refuse to give the committee of parliament the power to do what a committee of parliament should do.

I therefore move, seconded by the hon. member for Lanark (Mr. Blair):

That the motion be amended by adding thereto the following words:

"and that the said committee have power to send for persons, papers and records".

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we in this group are pleased that the government has submitted once again a proposal for a committee on estimates similar to the committee that was established last year. We shall be glad to support the motion.

We are also pleased that the hon. member for Kamloops has moved an amendment that would give the committee power to send for persons, papers and records. I shall say something on the amendment a little later in my remarks, but I should like first of all to say that we do not take the position that the committee on estimates takes the place of the committee of supply. No one tries to argue that, but at any rate we are glad to know it is recognized that in the last analysis it is the committee of supply, consisting of all the members in the house, that is responsible for every dollar that is to be voted by parliament. Nevertheless, despite the fact that the committee of supply is the most important cog in the machinery so far as the voting of money is concerned, we feel that it is a good idea that year by year a few departments should be referred to a committee on estimates.

One of the values to be gained from such a committee may not sound like a political value in the sense of the word which offended Your Honour a few moments ago. Nevertheless it is a real value. The study that takes place in a committee of this kind can be quite educational for the members of the committee and through them for members of the house as a whole. Indeed it can go even further than that. I am satisfied, indeed, that one of the real values of some of the important committees that have been held across the years has been in the education that has been afforded to members and through them to the country as a whole. I think of the excellent committee that we had a number of years ago on the question of old age security. I believe more came out of that committee than a mere recommendation; I think it was educational in its effect. Those who were on the external affairs committee last year, when General McNaughton and

other witnesses appeared before it to discuss matters in relation to our water supply and power resources, learned a great deal as a result of what went on in that committee. Similarly, it is an exceptionally good idea that a few departments each year can be scrutinized thoroughly and a few members become acquainted with the workings of those departments in the committee on estimates in a manner which is not possible in committee of supply.

However, it seems to me that the value of the estimates committee is greatly limited if it is not possible to call before the committee witnesses chosen by the committee itself. After all, if the only people who appear before that committee are those who are chosen by the minister, the value of that committee can be limited to such values as we get out of discussion here in the committee of supply. If members are going to learn what is going on, it seems to me they should have the right that is involved in the amendment that has been moved by the hon. member for Kamloops.

I think it is a fair question to ask, in this day and age, as to who is running the government in this country. Is it the cabinet or is it the civil service? I do not ask that question with malice aforethought, and I am fully conscious of our constitutional position, which specifies that the minister is completely responsible to parliament for all that goes on in his department, for the recommendations that he makes to parliament and for the positions that he may take on matters that are raised here on the floor of the house. Yet there are times when some of us wonder whether a particular minister exercises that responsibility merely by being the mouthpiece of civil servants who are behind him, civil servants whom we sometimes refer to, if we do not like their decisions, as bureaucrats. I know that the minister must protect civil servants and that it is the job of parliament to see that civil servants are protected, but I think the whole question of whether it is the cabinet or the civil service that is making the major policy decisions, that is really running the country, has become of such importance that it would be a good idea for the estimates committee to be able to call before it some of the senior civil servants and others in various departments so that they might be questioned along with the minister in order that we may, as I say, get this question sorted out as to who is really making some of the major decisions.

I do not think this is the time or the place to give examples and thereby to get into a discussion of one department or another. But all of us have various departments in mind where questions of the kind I have alluded to might well be investigated. It seems to me that we would do well to have before the estimates committee some of the officials of the treasury board. It does seem to us that some of the most important decisions affecting government policy and national life are either made in treasury board or if there are policies or decisions that the government might like to consider they are vetoed or rejected by treasury board. I think it would be a good idea if we could have some of the senior officials of treasury board, and even intermediate officials, come before the estimates committee under the aegis of one department or another so that we could find out just how they work and who are making these major decisions.

I listened with interest to what the hon. member for Kamloops (Mr. Fulton) had to say regarding the practice of the estimates committee in the United Kingdom where it descends without warning on a particular department and inquires into its expenditures. I realize that that function is supposed to be performed by our treasury board, and I am satisfied that our treasury board does a good job in terms of checking the estimates of the various ministers to try to eliminate waste wherever possible and to try to cut down and avoid extravagance. But I confess that I am more concerned as to the part that treasury board plays in making major decisions of policy.

I find it very hard to discuss this matter in the abstract without at least mentioning some of the things in which some of us are interested. I could, for example, refer to questions such as increases in old age pensions or the question as to why it takes so long to get moving in the field of health insurance. I could raise the question of the pensions of superannuated civil servants or the question of the war veterans' allowance. I could raise any one of a dozen matters of this nature where what is involved is not waste or extravagance, in the terms in which my friends to the right so often use those words, but basic policy as to what the attitude of the country should be towards improvements in fields such as I have indicated.

I think it is a fair request that these people who are behind the ministers, and for whom the ministers, I admit, are responsible, should at least once in a while come before a committee of parliament so that we can find out whether the ministers are telling the civil service what they want or whether the civil service is telling the government what policies should be pursued. For these reasons, Mr. Speaker, I think, it

will be clear that we not only support the motion to establish a special committee on estimates but we would also like to see it given the wider scope that is involved in the amendment moved by the hon. member for Kamloops. Therefore we shall support the amendment and we shall support the establishing of the committee itself.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I should like to speak very briefly on the motion now before us. I am one of those who support strongly the setting up of the estimates committee. I certainly feel that it did valuable work last year. It has always seemed to me that one of the chief duties of an elected representative is to thoroughly examine government expenditures to see that the taxpayers' dollar is being efficiently, properly and economically spent. Yet the experience I have had as a back-bencher is that there is no task in the house which is more frustrating, more disappointing, or more baffling, than the attempt to carry it out.

As hon. members know, under our British system of government, parliament is supposed to be supreme where finances are concerned. Yet in actual fact that theoretical supremacy is so ineffectively carried out, that I often wonder whether or not it actually exists. What are the reasons for this situation? I believe the main reason is due to the fact that our parliamentary machinery for examining the estimates is hopelessly outdated and outmoded. Our present method was formulated back in the days of confederation, and there have been very few improvements introduced into parliament since that time.

In the days of confederation, government had few financial complications. The government had little concern about national defence. It did not have to worry too much about social welfare. Things like the gold subsidy, the grain subsidy and so on did not enter into the picture. Back in 1868 the total budget of this parliament was $7·6 million. For the year 1874-75 the total of the estimates was still only $42 million. In 1910 the total of the estimates was $110 million. In 1913, the year before the war, the total budget was only $150 million.

I suggest that in those days it might have been possible for parliament to examine the estimates in the committee of supply, but times have changed. Canada has developed into a modern nation. Our population has increased many times, and government has become more complex. Today huge sums are spent for national defence, social welfare and the like. It is no exaggeration to say that this year our budget will be almost $5 billion. On top of this sum, government crown corporations will be spending additional hundreds of millions of dollars. In other words, the government will be spending more than one-fifth of our whole gross national product. That means in effect, that today we are spending about 650 times what we spent in 1868. Yet the parliamentary machinery for examining these expenditures is relatively the same as it was back in the days of confederation.

When the estimates are tabled in the house, when this blue book is brought down and placed in front of hon. members, we are literally drowned in a morass of statistics and figures. I say that any hon. member in this house, no matter how diligent he may be, finds it physically impossible to do a thorough job of examining the estimates in addition to his other work.

I say further that our method in this parliament of examining estimates is so inefficient and so unbusinesslike as to be almost unbelievable. What is parliament's vehicle for examining the estimates? As you know, Mr. Speaker, the vehicle is the committee of the whole which in effect is the whole House of Commons with the Speaker out of the chair. The government introduces these estimates—perhaps 600 or 700 pages of them—to the committee of the whole. That committee is unwieldly, clumsy and hurried. It is hopelessly large. Usually questions are mixed up and bandied across the floor with regard to details, with regard to policy, with regard to amounts. Often there is little sequence to the questions. Some of them have little relation to each other. Often they do not even appear to be coherent. While it is true that members in the back benches can question cabinet members, nevertheless it is extremely difficult to secure the kind of information that a member should have.

Not only is this house poorly equipped to deal with estimates, Mr. Speaker, but more and more in recent years, it has been inclined to treat estimates as matters of secondary importance, that can be dealt with after all other business has been finished. I feel that the time allotted by the government for the debating of estimates is not satisfactory. We have now been sitting for about seven weeks and I think we have spent one day in discussing estimates. Far too often, it seems to me, the early weeks or months of a session of parliament are spent in debating relatively minor issues and later on the estimates are brought forward in a last-minute rush. In

the last session the Minister of Finance (Mr. Harris), as reported at page 937 of *Hansard* of 1955, made this statement:

> There has grown up in the country an impression that during the final week and especially on the final day, it has been our custom to pass large sums of money at a rate which is not in accordance with the seriousness of the subject. To my mind that opinion is false; . . .

In this connection I must say that I cannot agree with the Minister of Finance. Last year parliament had sat for five months. At the end of that five months' period it had passed only $189 million of estimates or 4·2 per cent of the total. The remainder was passed in the last few weeks. In the last week of the session of 1953—the last seven days—estimates totalling $866 million were put through. In the last week of the session of 1954, estimates totalling $2,715 million were put through. In the last week of the session of 1955 estimates totalling $563 million were put through. To anyone who studies the picture I think it is obvious that when estimates are passed with such speed they cannot possibly have been given by this parliament the kind of examination that they merit.

Who is to blame for the situation as it exists today? Since the government decides the order of business, I think it must accept a major share of the responsibility. In fairness I suppose I should say that the opposition is partly to blame because far too many of us are prone, early in the session, to make loquacious and sometimes repetitious speeches on matters which perhaps are not as important as are these estimates. Often the difficult but rather humdrum task of going over the accounts is neglected. I have a definite feeling that today, Mr. Speaker, it is not parliament which is the watchdog of the treasury, but rather it is a small group of civil servants. Even though those civil servants, mostly members of treasury board or the finance department do an effective job, I say that this is not a healthy situation. I think it exists only because private members of all parties, including the Liberal party, have permitted the control of the national purse to be gradually taken away from them.

The resolution before us tonight is going to improve the situation. I think it is a reform. It is at least going to mean that four departments will be thoroughly examined. But even if the resolution passes, as I know it will, I do not think parliament has gone far enough. I am still convinced that in this house too little use is made of standing committees. I think this fact is all the more regrettable because on the back benches, parliament has a great deal of effective talent which is not being used. Many back-bench members are able business and professional men. They come down here anxious to do a useful job. Yet usually they are not allotted specific work. I suggest to you, Mr. Speaker, that these back-bench members could be effectively used, if they were put on committees—particularly estimates committees—to go over and examine government spending. I believe that every single government expenditure should be referred to one standing committee or another. I believe that every department should be referred in a similar manner. For instance, agriculture estimates should go to the committee on agriculture. The estimates of the Department of Finance, the Department of National Revenue and the like should go to the banking and commerce committee. Perhaps there should be a special committee on defence to examine defence expenditures, veterans affairs expenditures and so on. Before any estimate is brought into this house I repeat, that I believe it should have been thoroughly checked and gone over by some standing committee. Certainly any private business, before spending money in the way in which we are spending it in this parliament, would make absolutely certain that the expenditures had been thoroughly justified.

Mr. Speaker, there is another field of government expenditure with respect to which I do not think parliament is doing its job. I refer to our crown corporations. I have been here since 1945. There are many crown corporations that I cannot remember ever having come before parliament, except in the committee of the whole for a five-minute or ten-minute examination, which was more or less routine. I am thinking at the moment of the Polymer Corporation, Canadian Arsenals Limited, Canadian Government Elevators, the printing bureau, the Canadian farm loan board and so on. Federal crown corporations today number 30, I believe. In those crown corporations the taxpayer has an investment of several billion dollars. Some of them from time to time go to the treasury for substantial subsidies. Yet today the average member of parliament has less knowledge of the operations of those corporations, than have many shareholders of ordinary companies. It is quite true that some of the crown corporations such as Trans-Canada Air Lines, the Canadian National Railways and, from time to time, the Canadian Broadcasting Corporation come before a parliamentary committee. But I say again to you tonight, Mr. Speaker, that that practice should be extended. Once a year every company owned by the government should be

obliged to come before one standing committee or another to be examined in detail.

I have one more suggestion to make tonight, Mr. Speaker, and I have made it in the past. It has always seemed to me that opposition members are handicapped in examining these estimates by a lack of research and technical assistance. Because of the time required by other parliamentary committees, without that assistance it is extremely difficult effectively to query experienced government officials. When a minister comes before the committee of supply or before a standing committee, invariably he is flanked by experts or by his officials, and their job is to justify the expenditures which the government is making. The opposition, on the other hand, has no such assistance. I think they could do their job a good deal better if they were given some kind of help in that regard. I believe that the importance of this committee which the minister is proposing to set up tonight cannot be exaggerated. It is a reform but it does not go far enough. It is a step in the right direction. It is going to mean that four departments will be examined, but in my opinion every department should be examined. Until we take such action parliament is not doing the job of examining estimates effectively.

Mr. Roland Michener (St. Paul's): The resolution which stands in the name of the Prime Minister (Mr. St. Laurent) reintroduces a practice which was begun last year and which was found useful. I should like to add what has been said already tonight in urging the Prime Minister and the members of the government, in fact all members of this house, to consider the amendment as a means of doing better what this resolution proposes to do.

Last year the estimates committee did perform a very useful function in more than one way; that has been pointed out already. Certainly it helped to educate the members of the house in the details of administration. It cleared a great many of the inquiries which otherwise would have been made on the floor in the committee of the whole. The proposal introduces a very minor extension of the powers of the committee, because basically the committee will be a committee of the house constituted in the same proportions as the house is constituted with the supporters of the government in the majority and therefore with the basic decisions of the committee under the control of the administration. As I say, the extension is relatively minor, but it seems to me that in last year's committee we had a useful instrument which could be substantially better if it had the power to inquire a little deeper, to go beneath the surface and bring out the real facts on which the decisions of economical and effective administration must be based.

Now, I concede that there might be objections to giving the power to a committee to inquire into the affairs of the department about which some minister may be touchy. He may fear that opposition parties will seek partisan advantage by the exposure of maladministration. I think if any member of this house, in fact if any member of this government will look at the matter fairly and clearly, it redounds to the advantage of the government basically to improve the administration because the government takes the final responsibility for the quality and character of the administration which goes on in the various departments of government. If that administration can be improved through the medium of a committee of this house or by giving a committee more power to make such improvements, then in the long run the advantage will accrue to the government of the day as well as to parliament as a whole in the discharge of its traditional function of voting the funds the administration requires to carry on its duties.

In supporting this I do suggest that the members of the government regard this as one means of doing more effectively what has been done fairly well in some instances in the past, not only to the credit of this house and the committee but to the credit of the government itself whose administration can thereby be improved.

Mr. Colin Cameron (Nanaimo): I wish to associate myself, Mr. Speaker, with those who have spoken earlier in asking that the powers of this committee be extended. I remember the committee last year, in its initial year, and I have a very clear recollection of the manner in which the committee found its work hampered by the lack of the power which is requested in the amendment submitted by the hon. member for Kamloops (Mr. Fulton). I think perhaps that some of us who sit in this house have become, shall I say, rather insulated from public opinion and fail to realize that this institution of parliament is now on trial in the public mind. I think it is not too much to say that there is a most deplorable and dangerous attitude of cynicism towards parliament as a vehicle of democracy today.

I wonder sometimes if the reason for that is not to be found in the state of affairs that was described to me by a very eminent Canadian citizen who at one time sat in this house. He remarked to me that there is a popular illusion we have a government, whereas the real fact of the matter is that

we have an administration with a political front. I submit, sir, that is a very dangerous situation. One of the ways in which this cynical attitude towards parliament can perhaps he dissipated is by parliament to display the intention of really examining the work that is done in its name, and revealing to the general public the results of that examination.

Sometimes it has been changes of procedure of an apparently minor character that have very drastically altered the whole structure of parliament. One could recall, for instance, that it was purely the accident of a monarch being unable to speak the English language that set up the beginnings of our cabinet system as we know it today. We should be very careful, sir, not to imagine that our very new institution of parliament, and it is a very new institution in the shape it has taken today, is one which could not very well be deprived of real effective power, not through any deliberate action on the part of its members but by the failure to realize the danger points in our procedure. I suggest to you, sir, that one of the most grave danger points is when the government of the day, the executive of this parliament, is afraid to entrust to a committee of this house the power to examine ruthlessly, without let or hindrance, into all the actions that are taken in the name of this parliament.

Mr. J. M. Macdonnell (Greenwood): I should like to add a word to what has been said in favour of the amendment. I think if any intelligent stranger were in the gallery, and I am sure there are plenty here tonight, and had listened to this amendment he would have said "Well, that is the most reasonable thing I ever heard; why would they not do it?" As I listened to the hon. member for St. Paul's (Mr. Michener) and the hon. member from farther west, I felt that way. I have got to my feet merely to say this. If the amendment is turned down, and we have some reason to think it will be by what I believe the great Disraeli once referred to as brute votes, I hope it will not be turned down without reason given. I hope it will not be turned down in the ordinary, rather mechanical way that we are so often denied what we ask. I do hope that reasons, or what hon. gentlemen opposite regard as reasons, will be given as to why this suggestion, so eminently reasonable on the face of it and in the light of the experience we have had in this house, is to be turned down. I hope every effort will be made to state a case against these reasonable arguments.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I do not wish to take up the time of the house in making remarks in this regard that have already been made. I agree with the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) who said that the increased complexity of government since 1867 has made the proper examination of estimates in the committee of supply a virtual impossibility. Since 1867 government has become increasingly complex. Government departments have grown to such an extent that in effect most government departments are, through the very necessity of our modern way of life, run by civil servants. As a result it is almost impossible for any cabinet minister, no matter how brilliant and capable he might be, to fully understand and have complete knowledge of all the work of other government departments if for no other reason than the fact that cabinet ministers frequently change from one portfolio to another.

The present system we have in committee of supply is, of course, as every hon. member knows, that the minister is there usually with one or two assistants to advise him and to answer questions from hon. members of either the opposition or the government. Very often, in fact very often indeed, the questions which are asked are extremely detailed and the minister is unable to answer them and the assistants are unable to supply him with the information immediately. Consequently, the minister will acknowledge the question and say, "We can answer it tomorrow or the next day", and will undertake to furnish the information at a later date. I am sure many hon. members have had the experience of having this information supplied as the minister promised but often several months after the question was asked and frequently after the house has closed. I am not criticizing the ministers for this for I realize the complexity of their job and its great scope. Frequently, it is impossible to get the answers right away but it certainly is not very helpful for the proper examination of the estimates in the house.

The present committee the government is setting up is certainly a step in the right direction. Having been a member of the estimates committee for some of the time during the last session, I think it certainly is a help and a step in the right direction, but the suggestion of the hon. member for Kamloops (Mr. Fulton), which has been supported by other hon. members on this side of the house, is indeed an even farther step in the right direction.

Last year when the estimates of certain branches of the government were referred to the special committee on estimates the result was very much the same as what happens in the committee of supply. The government called or made available as witnesses various senior civil servants who had a considerable

knowledge of the departments from which they came. Some of them, however, are undoubtedly in the same position as cabinet ministers in that their departments are now so large it is almost impossible, even for senior civil servants who have been in the department for many years, to know all the facts about their own departments. As a result, last year in the committee on estimates questions which were asked frequently had to be put over until the next day in order that the answers could be looked up or some other official consulted. To a lesser degree, but sufficiently seriously so that it is almost in the same position, the same problem exists in the estimates committee which exists in the committee of supply.

If the committee on estimates were empowdered to call witnesses before the committee and any particular witnesses that the members of the committee desired to have called, I am sure we would get a much more capable and complete examination of the estimates of this house.

Mr. John B. Hamilton (York West): Mr. Speaker, I too will take only a few minutes of the house's time tonight in connection with this matter. Had I not heard the remarks of the hon. member for Moose Jaw-Lake Centre I perhaps would not have said anything at this time. However, the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) referred at some length to the fact that many people here did not take a very active part in connection with the estimates which came before the committee of the whole, and perhaps that was because there was not ample opportunity to do so. I think that was perhaps an unwarranted criticism. When I think back to the many hours that I have stood on my feet in this house in connection with continual examination in relation to transport and national defence last year I feel there was plenty of opportunity and if people wanted to inquire into those estimates they had the chance to get to their feet.

That, of course, does not mean that we are going to obtain the answers which we should get. It seems to me that the hon. member for Oxford put his finger on one of the major problems, that is, in the examination we are constantly faced with a frustrating situation where we have two or three people standing between us and the person we are examining and it is most difficult to get a straight answer under circumstances of that kind. I do not think anyone who has not been accustomed to conducting examinations wherein one questions a witness directly can appreciate the frustration that arises in the house as one watches these conversations which take place between the minister and the experts who sit before him. As long as that condition exists we are not going to be able to carry out a proper examination in this house and therefore any move which will give us an opportunity to examine the parties directly is going to be a step in the right direction.

A second point I would make is that we have reached a stage where nearly half of the total estimates refer to the Department of National Defence. If we are going to have a continuation of the policy as I have seen it here of getting down finally to the place where we get no answer whatsoever on the basis of security, and this has happened time after time, then the work of the opposition is going to become almost unbearable.

I think we all feel that conditions of security are most important. I would be the last one to suggest that we should cut away any cloak of secrecy that is required, but when you talk about frustration I must point out it is really frustrating to find that an answer is refused you in the house and when you pick up the newspaper next day, or *Time* magazine the next month, you find the answer that you could not get right in this very chamber. It seems to me that if there were an opportunity of examining the large masses of defence expenditures on the basis of direct question of the people involved there would be ample opportunity to discern very easily those matters on which we might be entitled to information and those matters on which, for obvious reasons of security, we should not be allowed to ask for the production of papers or witnesses.

As long as this portion of the estimates continues to climb and to amount to almost 50 per cent of the total budget, then I say a step must be taken along that line as well.

In connection with the suggestion of the hon. member for Moose Jaw-Lake Centre, that we perhaps need some assistance, I would say this. Give us the vehicle here to enable us to get close to the problem and I am satisfied that there are people quite capable of conducting a thorough examination. I am quite satisfied also that there are those qualified in accounting and the other professions who will enable us to do a good job. All we have to have is an indication from the government that they are prepared to really face close scrutiny in connection with these expenditures.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, this is not strictly a formal motion, this is a most important motion. For some years we kept urging that a practice similar to that which has been so successful at Westminster be adopted here. We urged that there be committees on

estimates and that the procedure which had actually helped the government as well as the opposition should be employed so that in that way facts could be obtained which otherwise would not be available.

The procedure which was adopted last year as an experiment fell far short of the practice which has succeeded at Westminster. The fact is that this offers very little in the way of real information. We are here tonight to discuss a motion standing in the name of the Prime Minister (Mr. St. Laurent), but the Prime Minister has not even spoken to explain why we have this kind of motion before us.

Mr. Harris: That is not so. I spoke to it on behalf of the government.

Mr. Drew: I will qualify that by saying that the Minister of Finance (Mr. Harris) made a short statement which I would not have dignified as a statement on behalf of the government because there was no explanation as to why this procedure should be adopted. We simply had the statement that we were going to go ahead on an experimental basis again. If that is to be taken as the kind of statement this government makes in regard to this motion, then everything that has been said about the high-handed manner in which this government has acted is more than justified on this particular occasion.

This motion stands in the name of the Prime Minister. Let us hear from the Prime Minister why we cannot have a proper committee on estimates. Let us hear from the Prime Minister, in whose name this motion stands, why we cannot have papers produced, why we cannot have witnesses come before us in the proper manner so that we can get information. Since we have had no explanation it then becomes necessary to discuss the nature of this motion and what the results will be.

Under the terms of this motion we will have to rely upon the answers of ministers when we are in this committee. We have found during this session that we cannot rely upon the answers of ministers when they are given in this house. We have seen it over and over again where statements have been made which within a very short time were denied by the minister himself. We had the case here of the 15 aircraft sent to Egypt. The Secretary of State for External Affairs (Mr. Pearson) made a statement just recently about the policies of the government, but the Secretary of State for External Affairs did not know anything about this when the matter was brought up in the house. First when he was asked about this shipment he said he had not heard about it. Then he was asked whether the aircraft could be armed and he left the impression that they could not. Then we had pictures by the Royal Canadian Air Force to show that they could. Then later on we had a discussion on external affairs.

Some hon. Members: Order.

Mr. Drew: I am quite prepared to wait until my words can be heard. When this subject was being discussed during the debate on external affairs it was pointed out that this was not a small matter involving a few aircraft and that we were asking for a committee to examine the export of arms. This involved a matter of $81 million and the Secretary of State for External Affairs stated that that of course included NATO shipments. It did not include anything of the kind. He did not even know that the NATO shipments were separate and that $202 million was the figure for NATO shipments during that year.

Mr. Speaker: Order. I had hoped that the Leader of the Opposition would not go too far afield and I would not have to intervene, but having done so I hope he will come back to the motion before the house.

Mr. Drew: I submit that I am directly on the motion. If Your Honour feels that you must intervene, then you must. I am pointing out that under this motion we will be called upon to accept the statements of ministers because there will be no other source of information. I have been pointing out how unsatisfactory that has been. It will be recalled that in the same discussion the Minister of Trade and Commerce (Mr. Howe) was most scornful when some question was raised as to the date of an order in council. He kept emphasizing that the order in council had been passed on a particular date, and then he had to come to the house and admit that there had been no order in council. The Prime Minister did not know whether there was an order in council or not and the Minister of National Defence (Mr. Campney) knew nothing about it. Those are the facts that have been disclosed already in the case of that particular shipment of arms.

Mr. Cannon: On a point of order, the Leader of the Opposition is discussing exactly the same matter that Your Honour said was not in order.

Mr. Drew: I do not recognize the hon. member who has just spoken in that quarter of the house, but in any event I must say that I am not aware that his point has any relation to the subject under discussion.

An hon. Member: Oh, oh.

Mr. Drew: If the hon. member who just made that interjection at this late date understands anything about the subject we are discussing I would hope that he would rise and make some contribution to this debate. It would be a novelty if we could have some opinion expressed by hon. members on the other side in regard to subjects of this kind when they come before the house.

Mr. Cannon: Mr. Speaker—

Mr. Drew: Unless it is a point of order or a question of privilege I am continuing my remarks. In so far as this procedure is concerned, in the case of the Department of National Defence, which deals with nearly half of our expenditures, we will be called upon to take the answers of the minister and I have shown quite clearly that he does not know what the facts are in regard to the department which he administers. That is the preposterous position in which we are left.

If this motion is to proceed, then let us have some reason why we should not have information that would be available to us in any ordinary procedure of committees that would be set up to inquire into the affairs of this house. It has been said in some publications which I have read recently that the parliament of Canada is no longer in a position where it can deal with public affairs. If there is any reason why this parliament is not able to deal with matters tonight it is because we are denied information. This is another example of procedures which stifle the true basis of discussion and the obtaining of facts upon which we should be informed.

What reason can there be why we should not have a committee empowered to call witnesses and to call for papers? In Westminster where they have a much larger field of responsibility the committee dealing with the national defence estimates was permitted to call the chief of the general staff and senior officers in different positions to give answers which informed the members of that committee in regard to essential facts. We have no such power.

It would be a pretence for any member of this house to suggest that a committee of this kind can present a finding actually based upon facts. I ask the Prime Minister in whose name this motion stands to give any reason to this house why we should not have the power that an ordinary committee would have to inquire into facts and to make recommendations which would assist the government as well as other members of this house and the public in regard to the affairs which are entrusted to our responsibility.

The house divided on the amendment (Mr. Fulton) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Leboe
Argue	Lennard
Barnett	Macdonnell
Bell	McBain
Blackmore	McCullough (Moose Mountain)
Blair	McGregor
Brooks	McLeod
Bryce	Michener
Bryson	Mitchell (London)
Cameron (Nanaimo)	Monteith
Campbell	Montgomery
Cardiff	Murphy (Lambton West)
Castleden	Nesbitt
Charlton	Nicholson
Coldwell	Nowlan
Drew	Patterson
Dufresne	Pearkes
Ellis	Perron
Fleming	Poulin
Gillis	Quelch
Girard	Regier
Green	Robinson (Bruce)
Hamilton (Notre Dame de Grace)	Small
Hamilton (York West)	Smith (Battle River-Camrose)
Hansell	Stanton
Harkness	Starr
Herridge	Thatcher
Holowach	Tustin
Howe (Wellington-Huron)	Van Horne
Johnson (Kindersley)	White (Hastings-Frontenac)
Johnston (Bow River)	White (Middlesex East)
Jones	Yuill
Knight	Zaplitny—67.
Knowles	

NAYS

Messrs:

Anderson	Dumas
Applewhaite	Dupuis
Arsenault	Eudes
Balcom	Fairey
Batten	Forgie
Beaudry	Fraser (St. John's East)
Bennett	Gardiner
Blanchette	Garland
Boisvert	Garson
Bonnier	Gauthier (Lake St. John)
Boucher	Gauthier (Portneuf)
Bourget	Gingras
Bourque	Gingues
Breton	Gour (Russell)
Brisson	Gourd (Chapleau)
Brown (Brantford)	Gregg
Bruneau	Habel
Buchanan	Hanna
Cameron (High Park)	Hardie
Cannon	Harris
Cardin	Harrison
Caron	Healy
Carrick	Hellyer
Carter	Henderson
Cauchon	Henry
Cavers	Hollingworth
Cloutier	Hosking
Crestohl	Houck
Denis	Howe (Port Arthur)
Deschatelets	Huffman
Deslieres	Hunter
Dickey	James

Jutras
Kickham
Kirk (Antigonish-Guysborough)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Stick
Stuart (Charlotte)
Thibault
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—134.

Mr. Speaker: I declare the amendment lost.

Mr. Fleming: Mr. Speaker—

Mr. Thatcher: Mr. Speaker—

Mr. Speaker: Does the hon. member for Moose Jaw-Lake Centre wish to announce a pair?

Mr. Thatcher: No, sir. I wish to move another amendment.

Mr. Speaker: The hon. member for Eglinton.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the government, looking down from its lofty height, does not deign—

Some hon. Members: Oh, oh.

Mr. Fleming: —to participate—

An hon. Member: Stand up.

Mr. Fleming: —in a discussion of this subject—

An hon. Member: Stand up, Donald.

Mr. Fleming: I will stand up and I hope some of you over there will have the grace and courage to stand up and let your voices be heard. Most of you are mute and you might as well have been born mute for all the good you accomplish here.

Some hon. Members: Oh, oh.

[Mr. Drew.]

Mr. Fleming: There is a commoner expression that is synonymous with "mute" that I could apply to a good many members of this house. It is a simple four-letter word.

Some hon. Members: Oh, oh.

Mr. Fleming: Mr. Speaker, this discussion is obviously not going to be allowed to degenerate into a debate if the government can prevent it. The Prime Minister (Mr. St. Laurent) maintains his frigid silence.

Some hon. Members: Oh, oh.

Mr. Fleming: He has nothing to say to the house—

An hon. Member: You might try that some time.

Mr. Fleming: —on this motion which stands in his name. Challenged by the Leader of the Opposition (Mr. Drew), he chooses to ignore the house.

An hon. Member: Which one? Which leader of the opposition?

Mr. Fleming: Mr. Speaker, I wish I could hear all these interesting—

An hon. Member: You heard that one.

Mr. Fleming: —if somewhat ludicrous interjections, but I cannot hear them all when they all come at the same time. If hon. members will take their turns I will be glad to deal with them individually.

Mr. Speaker: I would ask hon. members to remain silent so that the hon. member who has the floor may be heard, and I ask the hon. member to address himself to the Chair.

Mr. Fleming: Mr. Speaker, it is quite obvious that some of the remarks I have been called upon to address were obviously not intended for you.

Mr. Speaker: I was afraid at one time that that might be so. May I express my gratitude now.

Mr. Fleming: With the utmost earnestness may I assure you that I will never accuse you of being dumb.

An hon. Member: Speak for yourself.

Mr. Fleming: It is not that this matter is lacking in importance but that the government just does not deign to discuss important business before the house, and they will not deign to discuss important business before the house as long as their submissive and so well disciplined followers are prepared to be submissive.

Some hon. Members: Oh, oh.

Mr. Fleming: I have a word to say now about the timing of this motion. It was introduced on the 9th of February and we have now come to it nearly three weeks later.

An hon. Member: Three weeks of wheat.

Mr. Fleming: The arrangement of the business of the house—

An hon. Member: Stand up.

Mr. Fleming: I will have something to say to you by way of substituting another word for the first word but the second one will be "up" too.

Mr. Speaker: Order. I presume the hon. member is still addressing himself to me and that when he says "you", he means the Speaker. He has certain words, which apparently are not very flattering, to address to me.

Mr. Fleming: By the same token I take it that the honourable but irregularly vocal member who offered his interjection was similarly addressing the chair.

I said that the arrangement of the business of the house is in the hands of the government. The government themselves must take responsibility for the fact that they have chosen not to bring this motion on at an earlier date. In sessions gone by we have repeatedly urged that the government should bring on early in the session the motions designed to set up committees. This motion as well as the other motions to set up committees which are going to be debated after this one, could very well have been brought up in this house some weeks ago and the committees that are to be set up could have been set up then and could now have had several weeks' work done. The fact that the government have chosen to put other business first is the responsibility of the government, and three valuable weeks' time have been lost to committees already by that government action.

Some hon. Members: Wheat.

Mr. Fleming: Yes, wheat. The government chose to bring on the wheat debate and to keep it going.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Fleming: The government have chosen to keep it going because they called the wheat debate each day in the interval. They could just have easily called these motions some weeks ago. They knew perfectly well there was going to be a debate on wheat and they deliberately chose to call that item first. Hence the responsibility rests upon the government.

Some hon. Members: Oh, oh.

Mr. Fleming: It is extraordinary, Mr. Speaker, how vocal these Liberal members are when they are in a seated position and how silent they are when they are in any other position. They are very heavy in some respects.

Mr. McIvor: Mr. Speaker, I rise on a point of order. As a member on this side of the house may I say that I do not like to be called giddy; neither do I like it to be said that I sit here dumb. When you are right and when you know your cabinet minister is right, I think it takes more courage to keep quiet.

Mr. Fleming: Of course, Mr. Speaker, the record will show that I did not use the word "giddy". Some other words passed through my mind but the record will show that I did not use the word "giddy".

This proposal to set up an estimates committee appears in the same form as the government's motion of a year ago which they introduced on February 8, 1955. Actually they got it under way at a much earlier date in the 1955 session. We in this part of the house for years have urged the setting up of a proper committee on estimates. We have drawn attention to the fact that it is a paramount duty of the House of Commons to maintain strict control upon government expenditures. The control of the public purse must be exercised by the House of Commons. The committee of supply is an extremely old piece of parliamentary procedure. It goes back many years to a time when public expenditure was only a fraction of what it is today. The committee of supply is a clumsy, awkward piece of machinery for undertaking the function of a detailed review of proposed governmental expenditures. For this and other reasons, noting the shortcomings of the committee of supply in relation to its paramount duty, we urged the establishment by this house of a committee on estimates.

But, Mr. Speaker, the kind of committee that we are now offered—and it is the same kind of committee as the government proposed last year—is a very different kind of committee on estimates.

Mr. Reinke: You are never satisfied.

Mr. Fleming: The hon. member for Hamilton South (Mr. Reinke) must be feeling his oats these days. Either that or he finds the discipline that has been imposed upon him most objectionable because of late I have noted that he just cannot keep that tongue of his from wagging when he is in a seated position.

Mr. Reinke: Mr. Speaker—

Some hon. Members: Order.

Mr. Fleming: If the hon. member wishes to prove to the house that he can speak while standing on his feet, I suggest that he embrace the opportunity at an early date in this discussion and speak in debate in a proper way but not do it by defying the rules of the house as he has been doing so frequently lately. I suggest to the hon. member in good part that he observe the rules of the house. If he wishes to speak, I suggest that he rise and speak in debate.

Mr. Reinke: Mr. Speaker—

Some hon. Members: Order.

Mr. Fleming: Mr. Speaker, the hon. member will have his opportunity if he chooses to use it in the proper parliamentary method.

This is a different kind of committee that is proposed. As we saw last year, this is a truncated and deformed committee. It is a committee on estimates in name but it is not a committee on estimates having any real power to discharge the proper function of a committee on estimates. There should be a standing committee on estimates in this house. We were prepared to have a committee like this set up on an experimental basis and if the house should feel that it wants to have the experiment continued another year before the committee is made a standing committee, we are not going to be critical of that procedure. But we wish to see the committee given powers which are adequate to enable the committee to discharge its duties.

The committee on external affairs to which the estimates of the Department of External Affairs have been referred now for a decade, is a standing committee of the house and as such it has power to send for persons, papers and records as it chooses. There is no reason whatever why such powers should be withheld from this proposed special committee on estimates. I quite agree with what was said earlier in the discussion tonight—I do not call it debate; I call it one-sided discussion—as to the desirability of referring the estimates of other departments to other standing committees of the house. For instance, the committee on agriculture could review the estimates of the Department of Agriculture, and the committee on industrial relations could review the estimates of the Department of Labour and so on.

As the house has disposed of one amendment I wish to address myself particularly to another aspect of the powers of the committee than that which was the subject matter of the amendment introduced by my colleague the hon. member for Kamloops (Mr. Fulton). I wish to address my remarks to the matter of the business that is permitted to come before the committee on estimates.

There have been those who state that all the estimates of all departments should be referred to select committees. If that is to be done, of course more than one committee will have to be used for the purpose. There will have to be various committees among the group of standing committees of the house used for this purpose. It is not possible to have one committee carry out all the functions of reviewing the estimates of all departments. Therefore, as far as the committee on estimates is concerned, there must be a selection of the particular departments whose estimates are to come before that committee for review. In the United Kingdom the practice is for certain departments or even certain sections of departments to be selected for this purpose.

The rotation of departments is a good thing if we are not going to have the estimates of all departments reviewed in select committees. There is a great benefit to be achieved in the control of government expenditures by preserving so far as possible the element of surprise in the selection of the particular departments, sections or crown corporations whose estimates are to be reviewed in detail. There is such a thing as a department being so well prepared defensively on their estimates that they sometimes defeat the general purpose that a committee on estimates can help to serve in relation to all departments.

Now, sir, I come to the question of how the departments are to be selected. I say, in the first place, that there is much to be said for the idea of having these particular departments selected by the opposition. In the United Kingdom the practice in the public accounts committee is to allow the opposition to select the particular accounts or departments which are to be reviewed by the committee. Indeed, they have gone so far as to establish the practice of selecting a member of the opposition as chairman of the public accounts committee.

Mr. Harris: We are talking about estimates, not public accounts.

Mr. Fleming: I know, and I am referring to that as a useful guide. I will come in my remarks to the estimates committee at Westminster. I am pointing out here that the practice at Westminster in relation to the public accounts committee is a useful practice. In these committees, in the case of the public accounts committee, in the case of the estimates committee, indeed in the case of a good many other committees, it is the opposition members on those committees who do the work. Government members as a rule are

not interested in probing into expenditures or estimates. It is left to the members of the opposition to do that investigatory work. We have not reached the point here, of course, where the opposition is permitted to make the selection, even in the interests of a strict review of proposed departmental expenditures. The opposition did propose to the Prime Minister (Mr. St. Laurent) at this session that four departments should be selected for review in the committee on estimates, namely the Departments of National Defence, Trade and Commerce, Justice and Fisheries. The Department of National Defence is one that naturally suggests itself because of the extent of the expenditure in that department. The others are important departments, and at this particular time there is much to be said for taking the estimates of these departments before the committee on estimates.

But the government would not accede to that proposal, so we come to the second alternative, the one that is in effect here. It is that the government selects the particular departments whose estimates are to be referred to the committee. It is a strange thing, it is an anomalous situation indeed and one that could be found I am sure only in a House of Commons completely dominated by the government as the majority in this house has been dominated by the government, that a committee set up for the purpose of investigating and inquiring into proposed government expenditures is to have its work controlled for it by the government. Think of it, sir, it is the government's administration; it is the government's estimates that are to be reviewed by this committee. Nevertheless, if the majority in this house remains submissive to the will of the government, the government will decide what amongst its estimates this committee will be permitted to review. I say you could not have a more effective hamstringing of the work of a committee on estimates than that. I urge upon the house that this committee is not going to be given an opportunity to do the effective work that needs to be done by a committee on estimates if the government is simply to dictate to the committee in the manner now proposed the work that is to come before it.

I come to the third alternative, sir. It is the alternative that the committee itself, instead of the government, should make the selection. We have been told by the Minister of Finance (Mr. Harris), as leader of the house, in his very brief remarks on February 9 at pages 1041 and 1042 of *Hansard* when introducing this resolution, that the estimates of the Departments of Labour, National Health and Welfare, National Revenue and Post Office are to be referred to this committee. This is the government's decision, the government's selection. The committee itself is to have no opportunity to make a selection. I point out to this house that the committee on estimates at Westminster, a committee which we are told has functioned very satisfactorily in the opinion of all political parties since 1912, has the power to select the work it will do. It is not a case of dictation from the government and reference to that committee. The committee, being a standing committee, makes its own selections of the departments whose estimates it chooses to review. This preserves the freedom of the committee. It preserves the valuable element of surprise in reference to all government departments.

I imagine the Minister of Finance will be prepared to recognize the benefit of surprise in an undertaking of this kind because a great deal of his work is concerned with a similar responsibility of reviewing the estimates of other departments. We know from last year's experience in the committee that the minister whose estimates are under review has a great deal to say about the procedure to be followed in the committee. Here, we have a situation where the government is making the selections of the departments. I say that at the very least the committee should have the right to make its own decisions. I am not overlooking the fact the government is going to have a majority on this committee, but in relation to the exercise by that majority of its function in the committee I say that due regard should be had to the proposals put forward by opposition members in that committee.

Now, we are told that this committee is still in the experimental stages. It has been quite evident, sir, that there has been a division of feeling in the cabinet on this matter. There are some ministers who are prepared to be modern and bring their estimates before a proper committee on estimates. On the other hand, there are ministers here who have become so accustomed to the privileges and powers they enjoy that they look with the utmost disfavour on any proposal that their estimates should be brought under detailed review in any manner by a select committee of the house such as the committee on estimates.

The committee to which I am referring at Westminster is a committee of 36 members which divides itself into five subcommittees. Those committees carry on their detailed examination and sit extensively during the session. Indeed, sometimes they have sat while the house was not in session—even after the conclusion of the session. They make their own selection of the particular department, crown corporation, section or agency

they are going to investigate and that has been a most useful procedure.

In the interests of good government, in the interests of the control of expenditure, I say that the committee would do well to ponder these following words. I shall give the reference after I have read the words, Mr. Speaker.

> If the order of reference is not wide enough and does not go far enough I suggest to the minister that it should be widened. This is something new; it is an experiment. If in the government's mind it is a reform let us treat it as a reform and see that it is properly framed so that it operates. If it is only a concession to my hon. friends of the opposition then let us make our concession freely and willingly, not grudgingly.

And further:

> Nevertheless the control, criticism, and scrutiny of the estimates is one of the bulwarks of the opposition. The opposition should, if it is doing its duty, take every possible step to see to it that these expenditures are appropriate and in the interests of the country. May I say as one who enjoyed being in the opposition for two parliaments that I have great sympathy for the opposition, and believe it is the duty of the government and the house to give the opposition every opportunity to scrutinize these estimates.

Those references may be found on pages 953 and 954 of *Hansard*, February 8, 1955.

Those words are not the words of a member of Her Majesty's loyal opposition. Those were words uttered in the debate on the corresponding government motion a year ago by the then hon. member for Quebec South, Mr. Power. I commend his words, not only to his successor but also to the Prime Minister, and I repeat the concluding remarks of Mr. Power when he said that he believed it is the duty of the government and the house to give the opposition every opportunity to scrutinize these estimates.

Mr. Speaker, does any member of the government seriously pretend that the opposition is given every opportunity to scrutinize the estimates when the government will not give the committee power to send for persons, papers and records—I say no more on that—or to give it power to select the business that it is to do? Is it giving the opposition the opportunity that Mr. Power recognized that it ought to have in the interests of good government when the government says, "We will decide what business shall be permitted to come before that committee on estimates and by the same token we will decide what estimates shall not come before that committee on estimates"? That is the position of the government to date in this debate. It is going to select the business to come before that committee.

I made mention of the way the committee on estimates functions at Westminster. The committee there decides what estimates—

Mr. Cannon: May I ask the hon. member a question, Mr. Speaker? I should like to ask him if when the Conservatives were in power there was a committee on estimates?

Mr. Fleming: In Britain? I am sorry the hon. member has not been following the debate. It has been said by other hon. members and I said it not more than five minutes ago, that the committee on estimates has been a standing committee of the House of Commons at Westminster since 1912, and its function—

Mr. Cannon: I meant when the Conservatives were in power in this house; was there a committee on estimates?

An hon. Member: Perhaps he cannot remember that far back.

Mr. Fleming: No, there was not, but I will tell the hon. member that the expenditure in those days was just 10 per cent of what it is today. In other words, that is a 900 per cent reason why there ought now to be an effective committee on estimates.

Mr. Cannon: Is it a matter of figures or is it a matter of principle?

Mr. Fleming: I think the hon. member, if he is concerned about the matter of principle, is apparently going to have to ask himself whether he even condescends to approve of the introduction of the motion to set up even this truncated and deformed committee on estimates. These members are so brave, Mr. Speaker, until they are called upon to make a speech and I suggest—

Mr. Cannon: On a question of privilege, Mr. Speaker, I think I can stand up and make a speech as well as anybody in this house.

Mr. Fleming: Apparently the only time the hon. member chooses to make a speech is when in defiance of the rules of the house he gets up and smuggles a speech into the remarks of another hon. member.

An hon. Member: That is not so and you know it.

Mr. Fleming: I think the house would welcome a speech from the hon. member.

Mr. Speaker: May I ask the hon. member not to continue the incident by further provoking the hon. member who has interjected.

Some hon. Members: Oh, oh.

Mr. Fleming: Well, Mr. Speaker—

Mr. Speaker: Order. There seems to have been some disappointment at the remark which I just made and I should certainly like to clear up the matter. The hon. member may continue if no one wishes to speak further on the point.

Mr. Fleming: Mr. Speaker, I am sorry that I should ever give provocation to the hon. gentleman. I can assure you that such a thought was farthest from my mind.

Mr. Speaker: Order. I am sorry to have to stop the hon. member again but when we debate a certain motion our remarks must be relevant to the matter that is before the house. Now, if the hon. member is to enjoy provoking other hon. members and then criticize them because they have made an interjection, we are not being relevant to the motion that is before the house.

Mr. Fleming: Mr. Speaker, I will make only one observation if you will permit me, and that is I do not think it is any part of the practice of the house that hon. members when they consider themselves provoked should be permitted to defy the rules of the house and get up and make speeches when others are speaking.

Mr. Speaker: I fully agree with the hon. member; I fully agree with him. However, there has to be some understanding with respect to these things. The rules of the house do allow certain interruptions and unless the hon. member resumes his seat no one will have the right to interrupt him, but when the hon. member for Iles-de-la-Madeleine stood up, the hon. member resumed his seat, thereby indicating that he was allowing him to put his question.

Mr. Fleming: But the hon. member did not put a question.

An hon. Member: Yes he did.

Mr. Speaker: It is difficult to find out exactly what is going to happen until the hon. member has said something in order to discover whether he was going to ask a question or make a speech. The hon. member should continue to speak to the motion.

An hon. Member: Ten o'clock.

Mr. Fleming: Apparently it is ten o'clock, Mr. Speaker. Will you call it ten o'clock?

On motion of Mr. Fleming the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

MARGARINE—RADIO BROADCAST FEBRUARY 1

Question No. 111—**Mr. Fraser (Peterborough):**

1. Did the "Trans-Canada Matinee" broadcast on February 1 deal with butter-coloured margarine?
2. If so, was this program sponsored, and by whom?
3. If not, were any organizations represented by the speakers on the broadcast?
4. What were the organizations?
5. Were those taking part in the broadcast paid?
6. If so, how much did each receive, and what organization did they represent?
7. What was the total cost of the broadcast?

Answer by: **Mr. McCann:**

The C.B.C. answers as follows:

1. Fifteen minutes of the one-hour broadcast consisted of two "points of view" on coloured margarine.
2. No.
3. The two speakers appeared as individuals. One is an officer of the Nova Scotia branch of the Canadian Association of Consumers.
4. See answer to No. 3.
5. Yes.
6. Statements of payments to individuals have been held to be not in the public interest as being detrimental to the position of the corporation in negotiating for such services for broadcasting.
7. Total payments in connection with the one-hour broadcast were $200.

C.B.C. "NEWSMAGAZINE"

Question No. 127—**Mr. Thatcher:**

1. What was the total cost to the Canadian Broadcasting Corporation of producing the feature "C.B.C. Newsmagazine", presented 7.30 p.m. to 8.00 p.m. last February 5?
2. Where did the idea for the program originate?

Answer by: **Mr. McCann:**

The C.B.C. answers as follows:

1. $9,000.
2. With the Canadian Broadcasting Corporation.

BRITISH COLUMBIA SEAPLANE FLOATS

Question No. 141—**Mr. Barnett:**

1. How many seaplane floats, or landings, in British Columbia are in operation under the jurisdiction of the Department of Transport?
2. At what points, or places, are these located?
3. How many seaplane floats, or landings, in British Columbia under the jurisdiction of the Department of Transport are under construction, (including those for which tenders have been called)?
4. At what points, or places, are these located?

Answer by: **Mr. Marler:**

1. 17.

2. Alert Bay, Co-op bay, Ganges, Kamloops, Mayne island, Mansons Landing, Minstrel island, Masset, Nelson, Ocean Falls, Patricia Bay, Powell Lake, Prince George, Prince Rupert, Queen Charlotte city, Tofino, and Vancouver.

3. 1.

4. Tahsis.

FEDERAL ASSISTANCE TO HOSPITALS

Question No. 184—**Mr. Garland:**

What response has been received from the provinces regarding the offer made by the federal government to assist the provinces in the matter of hospital insurance and laboratory and radiological diagnostic services?

Answer by: **Mr. Martin:**

The minister of health of the province of British Columbia has advised that his government is prepared to participate in a program as outlined at the recent conference. No official communications have been received from the other provinces.

FISHERIES TRAINING PROGRAM—FEDERAL ASSISTANCE

Question No. 193—**Mr. Balcom:**

What financial assistance, if any, is given by the federal government to provincial departments of fisheries towards a program of training fishermen in the repair and preventative maintenance of gasoline and diesel engines?

Answer by: **Mr. Sinclair:**

None.

APPENDIX

CORRESPONDENCE BETWEEN PROVINCIAL PREMIERS AND THE PRIME MINISTER

CANADIAN NATIONAL TELEGRAPHS

RXMOA272 78—St Johns Nfld 27 448P—

1956 Feb 27 PM 3 34

Rt Hon Louis St Laurent QC MP
Prime Minister of Cda Ottawa

In reply to your letter of February eighteenth I have to say that in our view no particular purpose is likely to be served by the holding of a conference stop We feel that any questions in which we are interested can be taken up with you or the Minister of Finance stop We are not however opposed to the holding of the conference and if you call one we will endeavour to be there stop Kindest regards

J. R. SMALLWOOD

PREMIER'S OFFICE
Prince Edward Island

February 24, 1956.

Rt. Hon. Louis S. St. Laurent, P.C., Q.C.,
Prime Minister of Canada,
Ottawa, Canada.

My dear Prime Minister:

I acknowledge receipt of your letter of February 18th, with the enclosures therein.

If it is decided to hold another conference to discuss federal-provincial fiscal relations, I would be prepared to attend on either March 2 or March 9 if I received a few days notice of which date would be more satisfactory.

Yours sincerely,

A. W. MATHESON.

CANADIAN NATIONAL TELEGRAM

1956 Feb 24 PM 2 25

MOA234 32—Halifax NS 24 305P

The Right Honourable Louis St Laurent
Prime Minister of Canada Ottawa

Nova Scotia favours resumption of federal provincial conference stop Prefer March ninth but if necessary can arrange March second stop Would attend myself with provincial treasurer and one or two officials only

HENRY D HICKS
Premier of Nova Scotia

THE PREMIER
Halifax

February 21, 1956.

Dear Mr. Prime Minister:

This will acknowledge receipt of your letter of February 18. After the proposals therein contained have been studied by our officials, I shall reply further.

The only comment I might make at the present time would relate to the last paragraph of page two of your letter wherein you suggested that only two premiers had requested a resumption of the conference. Perhaps I was not specific enough at our meeting in Ottawa, or did not state our views with sufficient formality, but I did intend to convey the impression at that time that Nova Scotia favored a resumption of the conference. However, in view of your recent letter, this is perhaps not so important as we shall again consider our position to see whether, in view of certain other paragraphs in this letter, we still think it would be worth while to reconvene the conference.

Yours very truly,

HENRY D. HICKS

The Right Honourable Louis S. St. Laurent, P.C.,
Prime Minister of Canada,
Ottawa,
Canada.

The government of the
province of
New Brunswick

THE PREMIER
Fredericton

February 27th, 1956

Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
House of Commons,
Ottawa, Canada.

Dear Mr. Prime Minister:

This will confirm my telegram to you of February 24 last as follows:

"Further to your letter of February 18 we would greatly appreciate reconvening of conference preferably on March 9".

This is in further answer to yours of February 18 which has already been acknowledged.

Thanking you for your usual attention and courtesy.

Yours sincerely,

HUGH JOHN FLEMMING

Dominion-Provincial Relations

CANADIAN PACIFIC TELEGRAM

AA484 19/18 NL
R

Feb 24 6 41 PM '56

Fredericton NB 24

The Rt Hon Louis St Laurent PC
Prime Minister of Canada Ottawa Ont

Further to your letter of 18 February we would greatly appreciate reconvening of conference preferably on 9 March

Hugh John Flemming Premier of New Brunswick

THE PREMIER
Fredericton

New Brunswick

February 20th, 1956.

Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

My dear Prime Minister:

I have before me your letter of February 18 regarding federal-provincial arrangements.

The object of this reply is just to acknowledge your letter, and you will be hearing from me again within a few days.

Yours sincerely,
HUGH JOHN FLEMMING

(*Translation*):

CANADIAN PACIFIC TELEGRAM

February 22, 3:40 p.m., 1956

RAA343 106/103
UQQ Quebec Que 22 326P

Right Hon. Louis S. St. Laurent PC QC
Prime Minister of Canada,
Ottawa

We are in the most active period of our parliamentary session which adds a great deal of work to the already very extensive duties created by the administration of our vast province in full development Stop It was possible for me to read today your letter of February 18 and your telegram of the 21st of the same month Stop With all possible dispatch in these circumstances and without delay I shall study with my colleagues of the provincial executive council the important problems mentioned in your letter of February 18 and I shall communicate with you again shortly Stop Sincere greetings.

MAURICE DUPLESSIS.

(*Text*):

ONTARIO

Office of The Prime Minister and
President of the Council

Toronto, Ontario,
February 22, 1956.

Dear Mr. Prime Minister:

This will acknowledge receipt of your letter of February 20, 1956 on the proposed fiscal arrangements and the attached memorandum of answers of the Minister of Finance for Canada to the questions raised by the provinces.

Certain features of the proposal referred to in your letter and in the memorandum of the Minister of Finance are improvements over the present fiscal arrangements, but it appears to us that the basic formula which uses the weighted average of the per capita tax yields of only Ontario and British Columbia—to all intents and purposes this means Ontario—does not recognize the heavy financial burdens that are imposed on this province and its municipalities in servicing a rapidly growing population and industry which produce such a large proportion of the federal government's revenue. In view of the enormous obligations and commitments that we face, we feel strongly that a formula that provides a special payment to all the provinces except Ontario fails to meet the special needs of this province. As a first step in this approach, we believe that the equalization payments should be calculated on the basis of the four provinces having the highest per capita tax yields.

We shall be glad to meet with you, your colleagues and representatives of the other provinces in a resumption of the conference preferably on March 9.

Yours very sincerely,
LESLIE M. FROST

The Rt. Hon. Louis S. St. Laurent, Q.C.,
Prime Minister of Canada,
House of Commons,
Ottawa, Canada.

CANADIAN PACIFIC TELEGRAM

Feb 27 12 21 PM '56

WNA22 8
FD Winnipeg Man 27 1107A

The Right Honourable Louis S St Laurent
Prime Minister Ottawa

Will attend meeting March ninth if decided upon

Douglas L Campbell Premier Manitoba

PREMIER'S OFFICE
Saskatchewan

Regina, February 22, 1956.

The Rt. Hon. L. S. St. Laurent, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My Dear Prime Minister:—

Thank you for your letter of February 18 and for the attached memorandum from the Minister of Finance.

I note you are desirous of ascertaining whether or not the provinces favour meeting again in committee to discuss the proposals which you advanced in your letter of January 6. In spite of the fact that the federal government feels it would not be warranted in making any increases in its basic offer, the government of Saskatchewan would favour a federal-provincial meeting for the reasons which I outlined in my letter of January 11. We would be prepared to attend on either of the dates which you have suggested although March 9 would probably be preferable.

There are still a number of matters which were discussed at the federal-provincial conference in October regarding which the Saskatchewan government feels there should be some further discussions. This is particularly true of resource development and also assistance to the municipalities by making operative the Municipalities Improvements Assistance Act. If the majority of the provinces indicate their desire for a meeting again in committee we shall be very happy to attend. If, however, there is no widespread request for such a meeting either Mr. Fines or I will be glad to avail ourselves of your kind invitation to discuss with you or Mr. Harris those aspects of the federal government's proposal about which we are particularly concerned.

Should it be decided to reconvene the committee we would appreciate hearing from you at the earliest possible date.

Yours sincerely,
T. C. DOUGLAS.

CANADIAN PACIFIC TELEGRAM
WN.K. 79. RX.

FD. Edmonton, Alta. Feb. 23. 242 P.M.

Right Hon. L. S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ont. (care TC urgent)

Re your letter February eighteenth Alberta government believes fundamental changes are necessary in federal government proposals to fulfil adequately their intended purpose stop Unless federal government prepared to consider such changes can see little value in further conference but will concur if majority desire meeting stop If conference convened would urge date to be deferred until early April as March most inconvenient for provincial treasurers engaged in piloting budgets through respective legislatures stop If deferment impossible would prefer March ninth.

ERNEST C. MANNING,
Premier of Alberta.

518P.M.

OFFICE OF THE PREMIER
BRITISH COLUMBIA

Victoria

February 21st, 1956

The Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Your letter of February 2, 1956 and the memorandum from your Minister of Finance giving answers to a number of questions raised by treasury officials are acknowledged.

If a further meeting in committee is found generally desirable, I shall be glad to attend it. If, however, no general meeting is to take place, then I must press for a conference between our respective governments, further to discuss the terms of the proposed agreement, insofar as they apply to a province like British Columbia which is not dependent upon fiscal subsidies; is experiencing an unprecedented economic growth; and requires a greater allocation from the cultivation of income tax fields to keep pace with a development which, apart from its provincial worth, will yield vast returns to the nation.

Your letter indicates that discussions with the individual provinces will be conducted by yourself and Mr. Harris on behalf of the federal government. Mr. Bonner, our attorney general and I will represent British Columbia, and on the assumption that technical staff will be present, I propose taking with me Messrs. Fisher and Gunderson, and possibly Mr. Veitch.

Our current session of the legislature will not terminate its labours until the second week in March. I would, therefore, urge that our meeting do not take place before March 9, 1956.

The memorandum from Mr. Harris is being studied and comments thereon will be made either before or at the meeting suggested.

Yours faithfully,
W. A. C. BENNETT
Premier

Dominion-Provincial Relations

CANADIAN NATIONAL TELEGRAPHS

Ottawa, February 27, 1956

Hon. W. A. C. Bennett,
Premier of British Columbia,
Victoria, B.C.

Hon. E. C. Manning,
Premier of Alberta,
Edmonton, Alberta.

Hon. D. L. Campbell,
Premier of Manitoba,
Winnipeg, Manitoba.

Hon. H. J. Flemming,
Premier of New Brunswick,
Fredericton, N.B.

Hon. J. R. Smallwood,
Premier of Newfoundland,
St. John's, Newfoundland.

Hon. H. D. Hicks,
Premier of Nova Scotia,
Halifax, Nova Scotia.

Hon. L. M. Frost,
Premier of Ontario,
Toronto, Ontario.

Hon. A. W. Matheson,
Premier of Prince Edward Island,
Charlottetown, P.E.I.

Hon. T. C. Douglas,
Premier of Saskatchewan,
Regina, Saskatchewan.

As it now appears that a number of provincial governments desire to resume the conference on fiscal arrangements early in March and others are willing to attend, I am proposing that we meet in committee at ten o'clock March 9 in the railway committee room.

LOUIS S. ST. LAURENT

(*Translation*):

CANADIAN NATIONAL TELEGRAPHS

Prime Minister's Office
Ottawa, February 27, 1956

Honourable Maurice L. Duplessis,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

As it now appears that a number of provincial governments desire to resume the conference on fiscal arrangements early in March and others are willing to attend, I am proposing that we meet in committee at ten o'clock March 9 in the railway committee room.

LOUIS S. ST. LAURENT.

HOUSE OF COMMONS

Wednesday, February 29, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESIDENT OF ITALY—CHANGE IN HOURS OF SITTING ON MARCH 5

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on Thursday last I informed the house that His Excellency the President of Italy had accepted our invitation to visit Canada during his North American tour and would be arriving in Ottawa on Saturday, March 3, to remain until Monday, March 5, and that he had consented to address both houses of parliament in this chamber on Monday, March 5, at 2.30 p.m.

In order to carry out those arrangements and to enable us to greet His Excellency in this chamber and hear his address, it will be necessary to delay the opening of the ordinary proceedings of the house until 3.30 on Monday afternoon. If I might have the consent of the house, I should like to move:

That when this house adjourns on Friday, March 2, 1956, it stand adjourned until Monday, March 5, 1956, at 3.30 o'clock in the afternoon.

Mr. Speaker: Has the Prime Minister leave to put this motion at this time?

Some hon. Members: Agreed.

Mr. Speaker: Is the motion agreed to?

Some hon. Members: Agreed.

Motion agreed to.

TRADE

ANNOUNCEMENT OF TRADE AGREEMENT WITH SOVIET UNION

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am happy to announce the conclusion of a trade agreement with the Union of Soviet Socialist Republics. The text of this agreement is being tabled for the information of hon. members. If the house agrees, I suggest that the text be printed as an appendix to *Votes and Proceedings*.

My colleague, the Secretary of State for External Affairs (Mr. Pearson), opened the way for this agreement during his visit to the U.S.S.R. last October. At that time it was agreed in exploratory talks that negotiations should take place in Ottawa. A delegation from the U.S.S.R. arrived here four weeks ago, and the negotiations have been in progress since then.

The agreement which has been reached is set forth in five documents.

The first of these documents makes provision for the exchange of most-favoured-nation treatment along lines similar to existing agreements with various other countries. It includes other provisions having to do with the conduct of trade between the two countries. It recognizes that either government may apply prohibitions or restrictions of any kind for the protection of its essential security interests. Our strategic export controls are therefore not affected. This agreement provides in addition on a reciprocal basis for the non-discriminatory treatment of merchant ships while in port. On the Canadian side, the effect of this latter provision is simply to confirm the treatment which in fact has been available all along to ships of U.S.S.R. registry.

This agreement is to continue in force for a period of three years; agreement of both countries is required for any extension. It was signed on February 29 by accredited representatives of both governments and is now in force provisionally. By its terms, it is subject to ratification within 90 days from the date of signature and within this time opportunity will be provided for a debate in parliament. A resolution of approval will be introduced for this purpose.

The second document is a letter from the Canadian government reserving the right to establish values for ordinary and special import duty on any Russian product that might enter Canada in such increased quantities as to cause serious injury to domestic producers. In determining such values, the prices of similar goods imported into Canada from third countries are to be taken into account. This procedure is intended to deal with situations which might be created if Russian goods were to be sold in Canada at very low prices, even if they are not proven to be lower than their domestic values in the U.S.S.R.

The third document is a letter from the government of the U.S.S.R. acknowledging the Canadian letter on customs valuation.

Trade Agreement with Russia

The fourth of the five documents forming the agreement is a letter by which the government of the U.S.S.R. guarantees to purchase and take delivery from Canada, during the three years of the agreement, a total of between 1,200,000 and 1,500,000 tons of wheat, in annual lots of between 400,000 and 500,000 tons. The exact amounts to be purchased in the second and third years, within these annual amounts, will be determined by the government of the U.S.S.R., taking into account the volume of Soviet goods sold to Canada. The total over the three years, however, will amount to not less than 1,200,000 tons and the amount in any individual year to not less than 400,000 tons. The Russian purchases of wheat are to be made at the prices and on the terms at which the Canadian wheat board is making sales to its major customers at such times as the Soviet purchases take place.

The fifth document is a letter from the Canadian government, acknowledging the letter from the government of the U.S.S.R. on wheat.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the minister what is the best estimate of the dollar value of the import and export trade that is expected under the terms of this pact?

Mr. Howe (Port Arthur): Mr. Speaker, I said once before that I had lent my crystal ball. I am afraid I cannot give the hon. member an answer.

Mr. Fleming: Surely the department has some idea. None at all?

Mr. Drew: The minister is not usually so reluctant to make guesses.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask a question arising out of the agreements with the U.S.S.R.? I have not seen the text. Would the minister say what the prospects are in connection with the provision for the sales of wheat therein? Will it be of low-grade wheat now glutting the elevators, and on what basis are the prices of wheat determined under these particular agreements?

Mr. Howe (Port Arthur): Mr. Speaker, may I say at once that it is a misconception to suggest that low-grade wheat is clogging our elevators. As a matter of fact, we have to withdraw offers of low-grade wheat; it is all sold. The wheat that the U.S.S.R. is to take represents a fair distribution over our milling grades of wheat. The prices will be the prices of the day on which the wheat is bought. All wheat is offered at one price. The offer will be at the same prices and on the same terms as are made to Britain, Germany, Japan and our other principal customers.

STARRED QUESTIONS

R.C.A.F. PERSONNEL—FIVE DAY WEEK

Question No. 19—**Mr. Knowles:**

1. Have cleaners, messmen, furnacemen and employees in similar categories working on Royal Canadian Air Force stations across Canada yet been put on the five day week?
2. If not, at what stations has the five day week not yet been put into effect for such employees?
3. Is consideration being given to putting all such employees, on all Royal Canadian Air Force stations in Canada, on the five day week? If so, when will this take place?

Mr. Hellyer: Mr. Speaker, the answer to part 1 of this question is that when the government implemented the five day week for operating staffs, certain categories of employees were excluded. Among the excluded categories are staffs engaged in providing food and housekeeping service to civil servants, military personnel, and transient guests. Employees of the R.C.A.F. in the classification messmen have, accordingly, not been placed on the five day week. Some R.C.A.F. employees in the classification of cleaner and helper provide service to living accommodation.

Because it is considered inadvisable to have employees in the same classification at the same location working varying work weeks, the standard 44-hour work week, with one minor exception, has been retained for cleaners and helpers employed by the R.C.A.F. Heating staffs employed by the R.C.A.F. work a standard five day 40-hour week at locations designated by the government, in accordance with the announced policy. In some instances, it has not yet been possible to obtain sufficient qualified staff to implement fully the five day week for heating staffs. Where this is the case, overtime compensation is given for hours worked in excess of 40 per week.

The answer to part 2 of the question is that the five day week is not in effect for such employees at the following R.C.A.F. locations: Goose Bay, Newfoundland; Debert and Greenwood, Nova Scotia; Lac St. Denis, Mont Apica, Parent, Senneterre, Moisie, St. Sylvestre and Rimouski, province of Quebec; Edgar, Foymount, Angus, Fingal, Collins Bay and Mountain View, Ontario; Gimli and Macdonald, Manitoba; Claresholm, Penhold and Cold Lake, Alberta; Fort Nelson, British Columbia; and White Horse, Snag, Teslin, Smith River, Aishihik, Watson Lake in the Yukon Territory.

As to part 3, a fairly full statement on policy in respect of these categories of

employment was given to the house by the then minister of finance, Mr. Abbott, on February 16, 1954, as appears at page 2122 of *Hansard* of that year. Government policy on the hours of work for federal employees is periodically reviewed and when changes are to be made they will be made known at that time.

MAIL DELIVERIES, ST. JAMES, MAN.

Question No. 23—**Mr. Churchill:**

What action is being taken to provide in the industrial area of St. James, Manitoba: (a) twice-daily mail deliveries; (b) special delivery and parcel post services; (c) additional drop boxes; (d) facilities for outgoing mail at the St. James airport?

Mr. Lapointe: Mr. Speaker, this question deals with mail delivery in the industrial area of St. James, Manitoba. In answer to part (a), I wish to say to my hon. friend that a survey is under way at the present time to determine what delivery can be made. As to parts (b) and (c) of the question, any decision will depend upon the result of this survey.

As to part (d), there is already a receptacle for outgoing mail in the waiting room of the airport and a postage stamp vending machine is being installed. I am informed that existing airmail schedules do not warrant postal operation at the airport during day time or evening hours at the present time.

MEMBERS OF PARLIAMENT—GRIEVANCES OF GOVERNMENT EMPLOYEES

Question No. 26—**Mr. Knowles:**

1. Are there any restrictions on the right of government employees to bring any grievances they may have to the attention of members of parliament?
2. If so, what is the nature of such restrictions, and what groups or categories of employees are covered thereby?
3. If there are any such restrictions, on what authority are they based?

Mr. Pinard: My answer, which will apply to the three parts of the question, is as follows. There may be administrative rules in particular departments, made under the authority of the minister, to manage the department, which indicate certain procedures to facilitate dealing with grievances. But I know of no statute or regulation of general application that would restrict the right of any government employee to bring a grievance to the attention of a member of parliament.

INCOME TAX REFUNDS

Question No. 27—**Mr. Knowles:**

1. Has consideration been given to making it possible for a person who has been unemployed for 60 or 90 days to obtain, without further delay, a refund of income tax deductions made while he was employed?
2. If so, what is the result of such consideration?
3. If not, will consideration now be given thereto?

Mr. Harris: Mr. Speaker, the government has in the past been asked to consider the proposal which is referred to by the question, in common with a number of other applications for earlier refunds of income tax where persons may during the course of the year marry and presumably not have a taxable income for the balance of the year. Up to the present time we have always felt the administrative difficulties of making the refunds earlier than the end of the year are too great to consider. In addition they are somewhat costly and we would prefer to continue the present practice.

REQUEST FOR FEDERAL PENITENTIARY, DRUMHELLER, ALTA.

Question No. 29—**Mr. Johnston (Bow River):**

1. Has a brief been received by the Minister of Public Works from the city of Drumheller, Alberta, requesting the erection of a federal penitentiary in that city?
2. If so, what action, if any, is being taken by the government in this connection?

Mr. Winters: The answer to the first part is no, and the answer to the second part is that it is answered by the first.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ICE-BREAKING—GULF OF ST. LAWRENCE

Question No. 61—**Mr. Bell:**

1. When did ice-breaking operations begin and cease at the opening and closing of the season in the gulf of St. Lawrence each year for the last ten years?
2. What was the attempted open point on the St. Lawrence each year?
3. How many days were the vessels on duty on this work during each of the above mentioned years, and what was the cost of such operations?
4. Have any non-government ships been damaged by ice due to late departure or early arrival during the last ten years? If so, what vessels?
5. Have any surveys been conducted with respect to the opening of the St. Lawrence all winter? If so, with what results?

FLIGHTS BY DEPARTMENT OF TRANSPORT AIRCRAFT

Question No. 128—**Mr. Hamilton (Notre Dame de Grace):**

1. Between the dates of November 26 and November 30, 1953, and November 25 and November 29, 1954, were any flights made by Department of Transport aircraft of a type suitable for carrying three or more passengers in addition to the crew of the aircraft?
2. If so, for each such flight: (a) between what points was it made; (b) for what purpose; (c) how many passengers were carried?
3. If passengers were carried other than officials or employees of the Department of Transport, what were the names of such passengers?

Motions for Papers

POST OFFICE ADVERTISING

Question No. 132—**Mr. Hamilton (Notre Dame de Grace):**

1. For the calendar years ending December 31, 1954 and December 31, 1955, how much was spent by the Post Office Department for the purchase of advertising in (a) newspapers; (b) magazines, programs and periodical publications; (c) radio?
2. In the case of magazines, programs and periodical publications (a) what was the name of each such publication; (b) for each publication, and for each year as designated above, how much was paid?

PENSIONS—MEMBERS OF PARLIAMENT

Question No. 168—**Mr. Gagnon:**

1. Do any members of parliament receive pensions, either military or civil, from the government? If so, how many?
2. Who are they and what amount of pension does each receive per year?

DIPLOMATIC MISSIONS—PERSONNEL

Question No. 175—**Mr. Dufresne:**

What are the names, duties, places of origin, and present nationalities of all the employees attached to the Canadian diplomatic missions throughout the world?

REFUNDS OF WARTIME COMPULSORY SAVINGS

Question No. 202—**Mr. Knowles:**

1. What is the total amount of wartime compulsory savings refunds not yet returned to those to whom such refunds belong?
2. What is the total number of persons to whom such refunds have not yet been made?
3. What steps has the government taken to get these refunds to the persons to whom they belong?

PERSONAL INCOME TAX REFUNDS

Question No. 203—**Mr. Knowles:**

1. What is the total amount of personal income tax refunds, to and including 1954 or the latest year for which figures are available, not yet returned to those to whom such refunds belong?
2. What is the total number of persons to whom such refunds have not yet been made?
3. What steps has the government taken to get these refunds to the persons to whom they belong?

MOTIONS FOR PAPERS

FRASER RIVER FLOOD, 1948

Motion No. 28—**Mr. McCullough (Moose Mountain):**

For a copy of all correspondence, telegrams and other documents exchanged between the government of British Columbia and the federal government, regarding the request for assistance in respect to the Fraser river valley flood in 1948.

Mr. St. Laurent (Quebec East): The usual notification will be given to the government of British Columbia before the order is complied with.

Mr. Speaker: Adopted, subject to the remarks made by the Prime Minister.

[Mr. Hamilton (Notre Dame de Grace).]

PREMIUM IRON ORES—U.S. TAX APPEAL

Motion No. 30—**Mr. Knowles:**

For a copy of any telegram or other communication sent by the Minister of National Revenue, or by his department, to any United States treasury official with reference to a tax appeal against Premium Iron Ores, dated at any time since October 1, 1955.

Mr. McCann: There is no objection to this order passing, Mr. Speaker, subject to the usual reservation with reference to the consent of the other government concerned.

Mr. Speaker: Is it the pleasure of the house to adopt this motion, subject to the remarks made by the Minister of National Revenue?

Some hon. Members: Agreed.

CANADIAN BROADCASTING CORPORATION

ALLEGED CRITICISM OF PUBLIC AFFAIRS TELEVISION BROADCAST

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of National Revenue if he has received or is aware of any complaint in regard to a C.B.C. public affairs television broadcast of last Sunday evening, conveying criticism based on the allegation that the program was loaded against the government and against the Liberal party? If so, what action, if any, has he taken in the light of the complaints or criticism?

Hon. J. J. McCann (Minister of National Revenue): The matter has not been brought to my attention.

Mr. Fleming: May I ask the minister if he will make an inquiry of the C.B.C. and report to the house?

Mr. McCann: I imagine, Mr. Speaker, it will be the other way around. If there has been criticism or objection, the C.B.C. will bring it to my attention.

NATIONAL DEFENCE

AUSTRALIAN ATOMIC TESTS—INQUIRY AS TO CANADIAN REPRESENTATION

On the orders of the day:

Mr. P. T. Hellyer (Parliamentary Assistant to the Minister of National Defence): Last Wednesday, as reported at page 1428 of *Hansard*, the hon. member for Assiniboia asked the Minister of National Defence a question about Canadian representation at the Australian atomic tests.

Further to the minister's reply at that time I can now advise the house that, in agreement with the United Kingdom and the Commonwealth of Australia, Canada is to participate in the series of atomic trials to be

held in Australia in late 1956. Members of the Canadian services and the defence research board will assist in the trials and items of Canadian service equipment will be exposed to the effects of the weapons. Sixteen officers of the three Canadian services and 11 officers of the defence research board will take part in these trials.

RADAR INSTALLATIONS INDICATED ON RESTAURANT PLACE MATS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the parliamentary assistant to the Minister of National Defence. Has the hon. member read the story in last night's *Citizen* that Murray's restaurant had place mats which indicated the position of the distant early warning radar installations in northern Canada? Has there been a leak in security regulations which enabled the advertising agency and Murray's to publicize this information?

Mr. P. T. Hellyer (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, I thank the hon. member for having given me notice of his intention to ask this question. While I have not lunched at Murray's recently, I understand the officials of the department have noticed the place mat which does not purport to be an official map, and there is nothing about it which has not already been made public officially.

Mr. Nicholson: May I ask the parliamentary assistant a supplementary question? Can he indicate whether Murray's have withdrawn those place mats?

Mr. Hellyer: I understand that the head office of Murray's has recalled supplies of these place mats from their unit in the Lord Elgin hotel, and from Murray's restaurant on Queen street.

SHIPPING

SINKING OF DEPARTMENTAL VESSEL "HILUNGA"

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I direct a question to the Minister of Public Works? Who authorized the trip of the ship *Hilunga* to the Queen Charlotte islands on the occasion when she foundered, and has any disciplinary action been taken in respect of this trip?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, the ship was ordered out on the authority of the district engineer. The captain has been suspended pending the results of an investigation.

PUBLIC SERVICE

INQUIRY AS TO METHOD OF PROCESSING GRIEVANCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State to clarify one point in connection with the answer he gave a few minutes ago to a starred question standing in my name? Is it clear that if there are any departmental directives telling government employees that they must process their grievances only in certain ways, that does not prohibit them from discussing their grievances with members of parliament?

Hon. Roch Pinard (Secretary of State): I agree with that. Whether there are any such administrative rules which would preclude employees from bringing their grievances to members of parliament, I must say I know of none.

GRAIN

INQUIRY AS TO ACTION TO RELIEVE SHORTAGE OF BOX CARS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister learned of the recent statement of the Saskatchewan wheat pool that a severe box car shortage has made deep cuts into current farm income? Are any steps being taken to make box cars available so that outstanding orders for box cars may be filled at an early date?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I do not know who is to be the judge of the number of box cars that would be satisfactory. It is my understanding that the difficulties during the past month or so have been due to a shortage of motive power to clear sidings of snow and to do all of the work that has to be done under severe winter weather conditions. The numbers of box cars engaged in the west have been rising steadily since last autumn. Whether there are sufficient box cars in western Canada is, I suppose, a matter of opinion. The Saskatchewan wheat pool has given its opinion; I am giving mine.

ADMINISTRATION OF JUSTICE

SASKATCHEWAN—CARRYING OUT OF DEATH PENALTY

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to direct a question to

the Minister of Justice. Has the minister had a chance to read the story by Charles Woodsworth in last night's Toronto *Star* suggesting that Saskatchewan has requested that they be relieved of performing the death sentence for murder cases in Saskatchewan from now on? Has the minister any comment?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I have had a chance to read the article in question, and my comment would be that since confederation the responsibility for the custody of a prisoner sentenced to death and the responsibility for the actual carrying out of the death sentence has been that of the provinces. During this long period of time they never questioned this responsibility and have carried it out.

It seems to me that if any change in this responsibility were to be considered at all it should not be considered until we shall have received the report of the parliamentary committee on capital and corporal punishment and lotteries, the preparation of which is shortly to be under way. Until we shall have received that report we should not consider requests of this nature, and that is the position I took in the letter of reply which I wrote to Hon. Mr. Sturdy.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask a supplementary question? In view of the fact that the Saskatchewan government has turned its jails into corrective institutions where young men are incarcerated, does the minister think some arrangement could be made between the provinces and his department so that executions may be removed from these corrective institutions to places where more hardened criminals are incarcerated if we are going to continue capital punishment at all?

Mr. Garson: Mr. Speaker, any arrangements that we make with any one province, I think we would have to be prepared to provide for others. No one has suggested until the present time that the manner in which the province carries out death sentences is other than a provincial responsibility. I would be quite open to suggestions as to any means by which we might be of help to the carrying out of death sentences by this province. But we could not consider assuming this responsibility ourselves or even consider a consideration of assuming it until we receive the report of this committee. Otherwise we would be anticipating the report of the committee in a manner which would be most inappropriate.

[Mr. Nicholson.]

CIVIL DEFENCE

MONTREAL—INQUIRY AS TO ADDITIONAL EQUIPMENT

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, could the Minister of National Health and Welfare inform the house if the federal civilian defence organization plans to make available to the city of Montreal any additional trucks or equipment under the same terms as the two camouflaged vehicles located yesterday?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I have always understood that the hon. gentleman was imaginative but I never realized he was so inquisitive. I can only say in answer to his question that that matter is now receiving my full attention.

[*Later:*]

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of National Health and Welfare, supplementary to the question asked by the hon. member for Notre Dame de Grace. Will the minister confer with the Minister of Justice as to whether legal action should be taken against the city of Montreal in connection with the question asked by the hon. member for Notre Dame de Grace?

Mr. Martin: There are some occasions when I think a co-operative effort is calculated to achieve better results. I had the privilege of discussing this matter the other day in my office with the mayor of Montreal, and I think my method will prove more effective than the suggestion of the hon. gentleman.

ST. LAWRENCE SEAWAY

LAKE LEVELS—DEEPENING OF WELLAND CANAL

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I wonder if I might ask two questions, both of which, I think, should be directed to the Secretary of State for External Affairs since they concern lake levels. Perhaps the minister could take them as notice, because I imagine he does not have the information at hand; in fact, I am quite sure he would not have it.

Is the Welland canal kept open after navigation closes in the fall in order to take water from the great lakes? The second question is: if in the St. Lawrence seaway project the Welland canal is to be deepened, how much extra water would flow through that canal?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member is quite

right, Mr. Speaker; I do not have that information at the moment but I shall take his questions as notice.

UNEMPLOYMENT INSURANCE

REPORTED TIE-UP IN CAMPBELLTON AND EDMUNDSTON OFFICES

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): I would like to give the further information promised yesterday to the hon. member for Restigouche-Madawaska (Mr. Van Horne).

The regional office for the Atlantic provinces is at Moncton. All claims from the two offices of Campbellton and Edmundston, as from others, have to pass through the regional office for processing and then return to the local offices for payment. Therefore the number of claims actually under process at the regional office varies from day to day.

Only by physical count is it possible to get a picture of the status of the claims flowing through the regional office on any given day. In view of yesterday's question, I asked the commission if they would conduct a detailed count and report on the status of all claims at the Moncton regional office, originating from the local offices of Campbellton and Edmundston, as at the close of business yesterday.

Also the points at issue are not only the number of claims but rather the question of undue delay or the length of time that they have been under process since the date the claims were filed at the local office.

With that explanation, I now give the results of last night's work at Moncton regional office. A physical count of all claims originating in the above two offices and pending at the Moncton regional office was made last evening, February 28. The following is the breakdown:

Campbellton, N.B., office: 168 regular claims. Of the 168 regular claims, 118 are less than one week old. I interject here that by "old" I mean the length of time since the claim was first filed at the local office. 36 are less than two weeks old; 8 are less than three weeks old; 6 are three weeks old or more.

Edmundston, N.B., office: 128 regular claims. Of the 128 regular claims, 91 are less than a week old; 27 are less than two weeks old; 7 are less than three weeks old; 3 are three weeks old or more.

Delays in regular claims are for various reasons, some beyond the commission's control, such as: (1) Awaiting credits for contributions payable in respect of service in the armed forces; (2) insurance books lost or mislaid by claimants, requiring reference to previous employers for particulars of contributions; (3) awaiting transfer of contribution records from other regions in respect of claimants who worked in other than the Atlantic region and have since moved there.

The figures would not be complete without this reference. It will be recalled that in my statement in the house on 25th January I said there would be some delay in the computation of certain claims to be reconsidered under the reinterpretation of 119 (b) of the act, because of the heavy loads that the offices would have to encounter.

Therefore, I would like also to report on those that are at the regional office, Moncton, in this category, as of last night.

Campbellton, N.B.: Of the 70 claims for recomputation, 41 are less than two weeks old; 29 are two weeks or more old.

Edmundston, N. B.: Of the 240 claims for recomputation, 231 are less than two weeks old; 9 are two weeks old or more.

I apologize for taking so much time of the house on this matter, but answering this question gives me a chance, which I welcome, of paying tribute to the good work of the commission staff at the regional office in Moncton and at the local offices at Campbellton and Edmundston, that has made such a very satisfactory picture possible.

Mr. Van Horne: I would like the Minister of Labour to give the figures for ten days and 20 days ago.

Mr. Gregg: I made it perfectly clear that with the flow in and the flow out of claims, unless the whole machinery is stopped and the entire staff is put on it to make an analysis and count all those claims that are going through, it is impossible to do it except as it was done last night. The variations within the week or ten days referred to by my hon. friend would not be very great.

Mr. Van Horne: I wish to ask a supplementary question of the Minister of Labour. I presume—

Some hon. Members: Order.

Some hon. Members: Question.

Mr. Van Horne: Is this the purpose for the hiring of approximately 38 extra persons recently by the Edmundston regional office servicing the Campbellton and Edmundston offices?

Mr. Gregg: I presume that the purpose is to take care of the extra work arising from the winter. During the winter months all our offices have to take on extra casual personnel to help to cope with the situation in the wintertime.

Inquiries of the Ministry

HEALTH AND WELFARE

REQUEST FOR APPOINTMENT OF COMMITTEE TO REVIEW OLD AGE LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? Will the government consider appointing a special committee to review the whole subject of our old age legislation in line with the recommendation made in the excellent report on our older citizens released last week by the welfare council of greater Winnipeg?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend asks me if we will consider setting up a committee. I do not think there is any need for it in the light of the report to which my hon. friend directs my attention. But may I ask him if he has seen the article in a recent United States publication that urged the United States to follow the old age security program adopted by this parliament three years ago?

Mr. Knowles: I suppose the proper thing for me to say is that I shall take notice of that question. However, I suggest that this government—

Some hon. Members: Order.

Mr. Knowles: I suggest that this government—

Mr. Speaker: Order.

An hon. Member: You know the rules.

Mr. Knowles: I was asked a question.

Mr. Speaker: I was not intervening in order to interrupt the hon. member. I was just trying to ask that those who were making a noise refrain from doing so. I was going to allow the hon. member to make his comment, because I realize that when a minister, in replying to a question, makes a comment which may be debated, it may call, on the part of the member who receives the answer, for a debatable retort.

Mr. Knowles: My reply is that I am glad to note that in the United States there is recognition of the excellent principle upon which our old age security legislation is based, but I suggest that, following the United States custom, there is room for a much larger amount of old age security pension to be paid in this country.

[Mr. Gregg.]

COMMITTEE ON ESTIMATES

MOTION TO APPOINT SELECT COMMITTEE

The house resumed, from Tuesday, February 28, consideration of the motion of Mr. St. Laurent (Quebec East):

That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, last night just prior to the adjournment, following your second last intervention, as recorded on page 1655 of *Hansard*, I commented to you in reference to the earlier intervention of the hon. member for Iles-de-la-Madeleine (Mr. Cannon) that the hon. member did not put a question. Then *Hansard* records that an hon. member said, "Yes, he did."

I should like to make this comment. It is quite true that the hon. member for Iles-de-la-Madeleine asked a question and it is indeed true that he asked three questions. I accepted his questions and endeavoured to answer them. But what I was referring to at that time was the fact that after I had answered his three questions he then insisted on getting up and making a statement. That was what I was referring to in this statement that I made, which another hon. member has apparently thought was alluding to the earlier questions of the hon. member for Iles-de-la-Madeleine.

Sir, prior to the intervention of the hon. member for Iles-de-la-Madeleine (Mr. Cannon) I was, as *Hansard* records at the bottom of the page 1654, the first column, making this singularly unprovocative remark:

I made mention of the way the committee on estimates functions at Westminster. The committee there decides what estimates—

Then there is a dash and then the intervention of the hon. gentleman began. I did not return to the thread of my comment. I wish to deal with the practice at Westminster in reference to the selection of work on the part of the committee on estimates. The committee on estimates at Westminster decides what work that committee will take in hand in review of estimates. I am informed that in the first instance they usually refer that subject to a subcommittee of the main committee. I suppose in our practice here we would call it the steering committee. That subcommittee consists of the chairman, the chairmen of all five subcommittees and also two or three senior members of the committee on estimates. The opposition, through their representatives on that subcommittee or steering committee, has full scope in the choice of the estimates to be examined.

The recommendations of the subcommittee or steering committee are then submitted to the whole committee and a decision is taken there in the light of the recommendations of the subcommittee. So you will see there is no attempt on the part of the government to select, before the committee even meets or is set up, the work that the committee is to undertake. The committee makes its own decision as to what estimates it is to consider. The whole estimates of a department may be referred to one of the five subcommittees for examination or the estimates of several departments, but frequently only certain items of the estimates of one or more departments under which money is provided for certain purposes are referred. The complete freedom of the estimates committee to select the work that it is to take up is emphasized at every stage of the procedure.

We have been told that this is the continuation of an experiment. We had one year's experience with the experiment. I suggest that if the experiment is to continue we ought to make it a useful experiment. Last year we experimented with a system under which the opposition was given no voice whatever in the selection of the departments. The government itself, before the committee was permitted to function, made the selection of the departments. If we are going to experiment further, then let us extend the scope of the experiment. Let us experiment this year with a committee that has a free hand to select its own business in review of the estimates.

Having experimented last year with a committee that was hamstrung and fettered, let us experiment this year with an unfettered committee and derive the benefit of the experience from it. I propose therefore to move, seconded by the hon. member for Vancouver-Quadra (Mr. Green), the following amendment:

> That the motion be amended by deleting therefrom the words "as may be referred to it" and substituting therefor the following: "as may seem fit to the committee."

I point out to the house that if the amendment is adopted it will bring the powers and procedures of the committee in this regard completely into line with the well established practice at Westminster, a practice that has now been in effect for 44 years and is working to the satisfaction of all political parties there.

Let me say in conclusion, Mr. Speaker, that there was a time when the practice at Westminster with regard to the committee on estimates was apparently approved by the government here. As found at page 937 of *Hansard* for February 8, 1955, the Minister of Finance (Mr. Harris), in introducing the resolution, said this:

> Of course, in the years since the world war there has been repeated discussion on the subject and in each of the committees on procedure which have been set up we have had extensive talks as to the method by which to bring about a better way of dealing with the estimates.

Then, note these words:

> If hon. members are interested, they would have noticed that the 1947 committee recommended that we adopt in general terms the system obtaining in the United Kingdom.

I take it that the Minister of Finance would not have made that observation on the report of the 1947 committee of this house on procedure were he not putting that reference forward with approval. I say to all members of the house that if they wish to pay attention to the recommendation of the 1947 committee of this house on procedure they will proceed to bring the powers and procedures of the proposed committee on estimates into line with those prevailing at Westminster. They can do that in this respect by adopting the present amendment. If they do not adopt the present amendment they are simply proposing to continue a fettered and hamstrung committee. Therefore, Mr. Speaker, I move the amendment.

Mr. Speaker: Would the hon. member for Eglinton be good enough to send me a note as to the reference in which he found the wording of the United Kingdom order of reference?

Mr. Fleming: I was giving a paraphrase. I was not reading directly. I was giving a paraphrase from a source from which I have had full instructions on the procedure prevailing at Westminster. I can tell you, Mr. Speaker, if you wish, that it is from an hon. member of that house of long experience.

Mr. Speaker: The reason I ask is that I have doubts that the amendment is in order. Those doubts might be removed if I were to find the order of reference and explanations as to how it has come about in the United Kingdom. However, I will conduct my own research.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, as one who was a member of the committee on estimates last year from the beginning and who was present at almost all hearings, and consequently as one of those who had to listen to the same diatribe that we have had to listen to from the hon. member for Eglinton (Mr. Fleming) and the hon. member for Kamloops (Mr. Fulton), I think I should ask the indulgence of the house for a few minutes today. As we all

know, when the committee was set up last year the official opposition put up a barrage of technical amendments and adopted all kinds of tactics to delay the proceedings of the committee and to prevent the committee from getting to work on the estimates of the departments.

Mr. Fleming: Nonsense.

Mr. Jutras: The hon. member for Eglinton is not in a position to speak on that particular point because, although he was a member originally, he remained a member for a very short while.

Mr. Fleming: It is all on record.

Mr. Jutras: But I admit that his colleague, the hon. member for Kamloops, certainly tried to emulate him in this respect. As every member who was on the committee for any length of time knows, as soon as the hon. member for Kamloops was taken off the committee the committee got to work and from that day on we did very useful work.

An hon. Member: Whitewashing the government.

Mr. Jutras: The record speaks for itself. Anybody can look at the record. If you open *Hansard* for last year you will find that members from all quarters of the house, members of the official opposition as well as members of the C.C.F. and Social Credit groups and members on the government side, agreed that the committee had served a very useful purpose last year. Some did have certain qualifications. That is understandable coming from the opposition, but after some weeks of sitting, after we actually got down to work on the estimates, it is apparent from the record that the committee served a very useful purpose to the house and to the members themselves.

The only trouble with the hon. member for Kamloops and the hon. member for Eglinton is that when they came to the committee they attempted to do everything else but consider the estimates. This committee is a committee on estimates. The purpose of the committee is to consider the estimates of the department which is referred to the committee. The attempt made from the very beginning was to try to do something altogether outside of that jurisdiction. Then even when the time came to consider the estimates, the effort of the hon. member for Kamloops was to bring someone from outside to do the questioning for him.

Mr. Fleming: To get a witness before the committee.

Mr. Jutras: We all know the hon. member for Kamloops. He is an intelligent gentleman. He is a lawyer and even a Rhodes scholar. Yesterday he complained that he could not come to grips with the estimates. If he had applied himself in any way to coming to grips with the estimates, I am sure that he could have done so without any difficulty. However, as I say, he was in a frame of mind where he was so imbued with the idea of having somebody from outside or of doing something else apart from considering the estimates that, as he put it, he found it extremely frustrating indeed to be on that committee. I just want to remind him that if he was frustrated, he has no idea how annoyed the rest of the members of the committee were when we had to put up with these delaying tactics in sitting after sitting of the committee.

In the discussion yesterday and today the point made by both hon. members of the official opposition is twofold, as I understand it. First of all, they complain of the inability to send for persons, papers and records. I see that Mr. Speaker is looking at me. We had an amendment with respect to that matter and I am prevented from referring to it. I will certainly refrain from doing so, Mr. Speaker, although I should very much like to refer to it.

We now come to the next point. The next point raised by both hon. gentlemen—and it was raised today by the hon. member for Eglinton who indeed moves an amendment to that effect—is this. If I may I should like to read from the speech of the hon. member for Kamloops. As reported at pages 1639 of *Hansard* he said:

> The second obvious limitation is that the committee will have before it for consideration only such estimates as the government by the control of its majority in the house may refer to it.

That in effect is the complaint of the hon. member for Eglinton, if I understood him correctly. Although I have not the wording of the amendment before me, the amendment is in effect trying to correct that situation. What is the complaint in this regard? The complaint of the opposition is that the matter of referring the departments to the committee is left to parliament. That is what it is. He says that it has for consideration "only such estimates as the government by the control of its large majority in the house may refer to it". In other words—and this is strange indeed—here is the official opposition complaining because it is left within the authority of parliament to decide what will come to the committee. They are arguing and then moving an amendment with a view to taking this authority out of parliament and placing it in a committee of the house. That suggestion seems strange to me, coming from the official opposition.

Mr. Fleming: Why do you not be realistic about it?

Mr. Jutras: It is not a question of being realistic. All matters are referred to the committee by parliament, not by the government. Now the complaint is that parliament is dominated by the government members. Of course that is so and it always will be the situation no matter who is in power. The majority in parliament decides but it is parliament that decides. It is parliament that decides what departments will come before the committee. Now we have this odd situation of finding the official opposition complaining that this authority should be removed from parliament because parliament is not competent to decide what departments should go before the committee.

Mr. Fleming: How ridiculous can you become?

Mr. Jutras: That is a complete reversal of the stand of the opposition, if I may say so.

Extensive reference has been made to the United Kingdom committee on estimates. The one thing—and it is a most important thing—that all hon. members who referred to it failed to point out is that in the United Kingdom, as we know, the estimates have become so extensive, voluminous and large that members of parliament have given up the task of trying to study every one of the estimates in their parliament. As a compromise they have this estimates committee and all they attempt to do is to make a spot check, so to speak, on the estimates. Hence of necessity they are obliged to take certain items or certain departments in order to make a study of those particular items. But there is never any attempt to go through all the estimates. Here in this country we are still at the stage where the amount of our estimates and the number of our estimates are such that it is still physically possible for parliament and for a committee to make a detailed study of every item of our estimates. That is what we were doing last year with all the departments which came before our committee. We made an extensive and detailed study of every department that came before us.

I did not hear the opposition suggest that we should adopt the United Kingdom practice. I do not think we have yet reached that stage. I do not say that we may not reach it before very long. I recall, for instance, that a few years ago we streamlined our estimates. We reduced the number of our estimates because they were getting fairly bulky and difficult to run through. But today I suggest that it is practical yet for the committee to make a complete study of the estimates. I suggest that the example of the United Kingdom type of committee which is set up for a different purpose altogether is not a fair comparison and does not apply to this country.

Reference was made to the United States committee or to their standing committees in congress.

Mr. Fleming: No. No reference was made to that matter.

Mr. Jutras: Yes, there was. It was not made by you. Some other members made reference to it. Of course over there in the United States there is a different set-up altogether.

Mr. Fleming: There was not any reference at all to it in this debate.

Mr. Jutras: Yes. I recall some reference to it.

Mr. Fleming: A year ago; not in this debate.

Mr. Jutras: If I wish to make reference to it, I am entitled to do so. There is nothing to prevent me from doing it.

Mr. Fleming: It is a red herring.

Mr. Jutras: Let me say this to the hon. member. There are many people in this country—and I have run across the situation on many occasions—and many members in the opposition who are confused on many occasions. They see what goes on in Washington. They see how the system operates over there. Then we here in this country get requests for more or less getting the same thing done in Canada. They of course forget that we operate under quite different systems of government.

Shortly before the opening of this session it was my privilege to visit one of the standing committees of congress. As a matter of fact, I was invited to sit around the table with the members of the committee for part of a sitting and I was able to observe closely how their committee was operated. It is not for me to judge their method of procedure, but I certainly came out convinced that it could not be applied or followed with the system of government that we have. As I say, their system of government is entirely different from ours and their procedure does not apply here.

After all, Mr. Speaker, when the hon. member for Kamloops or any other hon. member of the opposition says that with this type of committee he has been unable to come to grips with the problem in the estimates committee, I suggest that if he has been unable to do so it is simply because he has not applied himself to the task. Towards the end of the session particularly, everybody expressed the feeling that a good job had been done by the committee. At no time did the ministers refuse to answer any questions

that were asked by either opposition or government members. At no time did the ministers or anyone else refuse to produce officials of the department for questioning by the committee. We had all the help of the department and all the officials who were asked to be present came. All the information was laid before the members. As some hon. members pointed out, we not only got a lot of information but I am sure all members learned a great deal about the various departments. I am sure the committee could function in the same way this year.

In conclusion, I should like to read one sentence that was uttered by the hon. member for St. Paul's (Mr. Michener) in the committee last year. We had completed an examination of the first department to come before the estimates committee, the Department of Citizenship and Immigration. Everybody was commenting on the success of the committee up to that stage. Speaking for the opposition, the hon. member for St. Paul's said:

> I should also like to put myself and my associates on record in expressing our appreciation of the assistance which has been given to this committee,—

He was referring to the officials who had appeared before the committee. He continues:

> —and I would like also to say that I hope Mr. Thatcher has recovered from his deep pessimism about the prospects of this committee.

I commend those words to the hon. member for Eglinton (Mr. Fleming) and the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher).

Mr. Clarence Gillis (Cape Breton South): I have listened to this debate during this session and the last session with some interest. I feel that a lot of the discussion is irrelevant. If one reads the resolution, one finds it is wide open. It merely asks us to set up a committee to which estimates can be referred from time to time. There is not anything in the motion itself that refers to any particular department.

Mr. Fleming: We were told on February 9 what they were going to be.

Mr. Gillis: It has been suggested that there are certain departments that would be referred, and it is with that point I wish to quarrel for a few minutes. I think that setting up a committee with the end in view as expressed by the official opposition that ultimately all estimates should get a working over by that committee, would mean the abdication of parliament. It is the duty of this parliament, in committee of the whole, to examine the estimates and not send 30 men from the house to go out and examine them without the remainder of the house knowing anything about the discussion. It certainly is not giving the other members of the house much chance to decide whether the money voted is legitimate or otherwise.

Another tendency this committee has, Mr. Speaker, is to make the rest of the members lazy. If you appoint two or three members from each group in the house to examine the estimates, it is their responsibility and the rest of the members are not going to look at the estimates. They are going to depend on their members on the committee. Another thing, at the end of the session when the estimates are being considered you will often find that the members on the committee, who you expected would be discussing those estimates are not here. Other members in the group did not look at the estimates because they felt that was the responsibility of the member appointed to the committee.

In my opinion, and it is my own opinion, the sending of the estimates of the departments of labour, health and welfare and the other two departments is unnecessary. I feel it is not very much trouble to examine the estimates of a department of government that is spending the money within the country. I do not think any committee will take the estimates of any department in which the money is spent in the country and change the estimates by one cent. If you look at the items in the estimates of the department that are to be sent to the committee, you will find every one of them is a fixed responsibility. The amount changes from time to time, but not very much. I believe the department officials could justify any of those expenditures. The fact of the matter is that in labour, health and welfare and post office we are asking for increased expenditures all the time, not reductions.

I think if each group in the house did what this group has been doing we would not have much trouble examining estimates. Before the estimates are brought down each member of this group is told he will be responsible for a certain department. I am told, "Your departmental estimates will be labour." It is my responsibility to take the labour department estimates and go over them item by item. If I think there is something wrong in some section I can pick up the telephone and get the information. If I do not like what I am told I can criticize the item here when the Department of Labour estimates are before the committee of the whole. I am in a position to do that because this group has given me that responsibility. One member of this group is responsible for going over the estimates of one particular department.

I do agree with the appointment of the committee, and for this reason. In the estimates this year $1,775 million have been allocated to the Department of National Defence; $15 million to defence production and $7 million to civil defence. All these defence expenditures amount to about 39·20 per cent of the total tax dollar. If there are any departments in which there could be waste and extravagance or duplication in money spent outside of the country, where it is difficult for any member of this house to make an examination of the justification of the amounts spent, it is in those departments. I think those departments should be examined by a committee. I do not think it should be a committee appointed merely to work over the estimates. As I have said for a good many years, when you have one minister responsible for three defence departments, the navy, army and air force—even although he has excellent deputies—when you are spending money on NATO all over the world; when you have money going into civil defence, a new type of organization about which we know little, then I think someone should take a look at these expenditures. Defence production is another one. Purchases are made for the defence department. The Minister of National Defence (Mr. Campney) is not in any position to report to this house with any degree of accuracy as to whether the money is being used judiciously or otherwise.

If we are to set up a committee, then it should be a continuing committee. The spending that we should be examining is the spending of the departments that I have mentioned. They are not fixed responsibilities. A great deal of money is going into that particular organization, and if a committee were appointed by this house, and if the members of that committee were picked carefully, they would sit there and work conscientiously. If that committee had the right, as suggested by the amendment just proposed, to call in the heads of different departments to give an account of their stewardship, the committee would be a brake on defence spending. The fact that they could be called in would place the men who are spending that money in the position where they would take another look at every item. They would do that if they were answerable to a committee of this house.

I imagine that expenditures on defence are going to be with us as long as most of us will live. These expenditures are growing all the time, and they will continue to grow and become greater. If we want a committee, then I suggest to hon. members that we are wasting time by putting before that committee for examination estimates that are fixed responsibilities. I do not think they get as good an examination in that way as they would get if they were taken up in the house and worked over in the ordinary way. It would require little change. A great deal of value would be derived from setting up a continuing committee whose responsibility it would be to consider the various defence departments. I have just suggested civil defence, defence production and the general national defence departments.

Mr. Charles Yuill (Jasper-Edson): Mr. Speaker, I have listened with a great deal of interest to the discussion on this committee. I find myself at a loss to agree entirely with the arguments adduced, but I must admit that many points have been thought-provoking. I think they are real. If we had some medium by which we could take the good points of these arguments and crystallize them into action, then we would be serving a more useful function.

There has been discussion as to the method by which the estimates should be presented for perusal. I think it is impossible for any estimates committee to deal with them intelligently at any one session. It might be worthy of consideration to take them in order of importance and perhaps rotate them so that there would be enough estimates presented to occupy the full time of the committee authorized to deal with them. I am inclined to believe, from what I saw as a member of that committee, that nothing would be presented that would cause the government any worry if they agreed to the request that the committee be given the right to call in anyone to enlighten them on the job they have to do. I do not think it necessarily means that with respect to every estimate that comes up you would be calling in scores of people from the outside. I do not think that is necessary at all. But if on the discussion of the estimates a reasonable doubt should arise, and we should have a little further information, then we should have the right to call for that information. I think that is conducive to good business. I would be the last one in the world to subscribe to that suggestion if I thought it was going to become a medium for political manoeuvring, where people were jockeying for political aggrandizement. I do not think that should be done at all.

There is another thing that I feel is not conducive to good business, and that is to have ministers sitting in as members of the committee. I have the highest regard for all of the hon. gentlemen, but I do not think I can reconcile that with my own good judgment. I do not think they should sit in as judge and jury both, and that is really what they are doing. It would be better in many

ways to have them sit there in their true capacity and not be identified as a member of the committee.

At this point I should like to pay tribute to the ministers for the frankness with which they answered all the questions that were put to them. I should like to pay a tribute to those of their staffs who were so efficient and so ready with their answers to the problems that were perplexing members of the committee at that time. That is all to the good. They are to be highly commended; but I think we should consider the advisability of having the minister sit in the committee in the capacity of both judge and jury.

I heard certain statements made. The hon. member for Provencher (Mr. Jutras) commented on the amount of valuable time that was wasted through debating whether or not we should be privileged to call in witnesses. If it were recognized that they would be available if necessary—and it would be necessary only rarely—then it would relieve the tension and give us perhaps a greater opportunity more intelligently to deal with the business in hand.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, the motion before us has been carefully explained by the hon. member for Eglinton (Mr. Fleming). The purpose of the amendment is clear. It would have as its effect an arrangement similar to that which has proved so satisfactory at Westminster where this practice was adopted. I regret very much that in regard to a matter so important to this house we should have no statement from the government on the motion standing in the name of the Prime Minister. We are still waiting to hear from the Prime Minister any reason why the reasonable requests made on an earlier motion, and now before the house on this motion, cannot be considered by the government. The only statements that have been made, other than the very numerous interjections from a seated position, are the statements made on February 9 by the Minister of Finance (Mr. Harris), in which he made no attempt to explain why the government was not following the very satisfactory practice adopted at Westminster, and the statements we have just heard this afternoon from the hon. member for Provencher (Mr. Jutras).

If anything favourable can be said about the speech of the hon. member for Provencher it is that it did at least attempt to deal with some aspects of the discussion now before us. The Minister of Finance, in a few words on February 9, as reported at page 1041 of *Hansard* of this session, simply informed the house that we were not going to have this procedure that has proved satisfactory elsewhere. He also gave certain bald information, without explanation, as to why that was being done. For that reason, we are brought up to the statement of the hon. member for Provencher today, because it becomes necessary to deal with one or two statements he made, in view of the fact that we have no other statements to deal with in regard to this subject. The hon. member for Provencher told us today, in what sounded like an attempt to make an authoritative statement, "It is for parliament to decide what departments will go before the committee." Mr. Speaker, nothing could better illustrate how important it would be that this subject be dealt with under the established procedure, because the hon. member for Provencher obviously does not know anything about it.

The hon. member for Provencher is obviously unaware that on February 9 the Minister of Finance stated that two months ago, that was two months before February 9, the decision had been made. These are his words as found at page 1042 of *Hansard*:

> We had considered what estimates we might refer to the committee this year. We did that some two months ago and decided to refer to the committee the estimates of the Department of Labour, the Department of National Health and Welfare, the Department of National Revenue and the Post Office Department.

Since the only statement that has even pretended to give anything in the way of an explanation has been made by the hon. member for Provencher, I think I should put on the record a letter I wrote to the Prime Minister (Mr. St. Laurent) and the reply I received. It will be quite clear from that, if there is any uncertainty in the mind of any hon. member, that parliament has not been asked to decide and that this decision was made in December and was made by the government. When the Minister of Finance says, "We decided" he means the government and not parliament. Parliament was not sitting in December; hon. members know that parliament met on January 10.

On January 27 I wrote the following letter to the Prime Minister:

> The Rt. Hon. Louis St. Laurent, P.C., Q.C., M.P.,
> Prime Minister of Canada,
> House of Commons,
> Ottawa, Ontario.
>
> My dear Prime Minister:
>
> In view of the fact that a motion stands in your name on the Order Paper to set up a committee to deal with estimates, I thought I should indicate to you the departmental estimates which we would prefer to have considered.

In the following order, we would like to have the committee consider the estimates of these departments:

Defence
Trade and Commerce
Justice
Fisheries.

I would hope that it might be decided this year that the committee will have power to call witnesses and obtain the production of papers and records. Naturally this power would be subject to review by the committee in any case where security might be involved. I do urge, however, that subject to this reservation, provision be made that the committee have this power.

Yours sincerely,

The letter is signed by me.

In reply I received the following letter dated February 2:

The Honourable George Drew, P.C., Q.C., LL.D.,
Leader of the Opposition,
House of Commons,
Ottawa, Canada.

Dear Mr. Drew:

May I thank you for your letter of January 27 with respect to the business of the estimates committee.

Last December we considered this question and decided that we would refer to the committee the estimates of the Departments of National Revenue, Labour, Health and Welfare and Post Office, and these departments have been making suitable arrangements in the meantime. Under the circumstances I do not think it would be desirable to change these plans.

With respect to your request that the committee have power to call witnesses and require the production of papers and records, may I point out that the Minister of Finance, in moving the setting up of this committee last session, made it clear that as this was an innovation it was desirable, in the experimental period, to keep the work of the committee as close as possible to the practice and procedure in the committee of supply. I think you will agree we are still in the experimental period, and we would prefer to continue the experiment on the basis begun last year.

Yours sincerely,

The letter is signed by the Prime Minister.

It is quite clear that the decision was made in December and that no choice has been left to parliament to make any decision in this respect.

The suggestion has been made, by the only spokeman from the government side who has even pretended to deal with this subject, that the opposition is complaining that parliament must decide what will be done. That statement is pure unadulterated nonsense. Parliament is not being asked to decide. Where is there anything before this house that places parliament in the position to make any requests? What we are complaining about is that parliament has no chance to decide and we by this resolution are giving parliament a chance to actually have some authority. We are proposing a method that would be consistent with the procedure followed in the jurisdiction upon which this practice is based. I would point out, however, that we need not go to Westminster to find reasons why there should be the right to call witnesses and also to call for the production of papers and documents. Every standing committee of this house has that authority now. Under the rules of this house every standing committee has the right and power to call for the attendance of witnesses and the production of papers and documents. We are not suggesting some strange innovation.

May I say that the only place from which any suggestion has come that we should make a comparison with the procedure in the United States is from the hon. member for Provencher. It would appear that he had gone to Washington to see if there was anything there which we might follow, for he tells us of his experience following the activities of that committee. Certainly we are not suggesting the adoption of a policy of that kind. We are suggesting the application of a procedure already incorporated in our rules in regard to standing committees. All that would be necessary to make this possible now would be for the government to decide that this committee will become a standing committee, and I make that proposal now, that this committee be a standing committee.

It has already been suggested here that this committee meet regularly. We want it to meet regularly. Let us have it a standing committee and then automatically it would have the right to call witnesses and to call for the production of papers and documents. As it is, this committee is nothing but a pious pretence. When the hon. member for Provencher said that they all came out satisfied with what had been done, he meant that the Liberals all came out satisfied that they had suppressed any opportunity of really getting at the facts that would have been available if witnesses had been called. That was the satisfaction they felt.

We listened this afternoon to a very clear declaration of true government policy, although it was not uttered by anyone with any apparent authority from the government on this occasion. The hon. member for Provencher suggested that it was absolutely unnecessary and unreasonable to expect that we should seek more than the answer of a minister or the people he proposed to bring forward. We have had plenty of evidence that we cannot rely on the statements of ministers. We have had plenty of evidence that they do not know what they are talking about when they make statements on behalf of their departments. We are not satisfied with statements of ministers here who one after another have made positive statements in regard to different problems within their

departments and then within hours in one case and within days in other cases were proved to know nothing whatever about the subject they were discussing. We point out that if this were a standing committee, a perfectly normal procedure would be to call witnesses and to obtain evidence in regard to the facts.

Mr. Deputy Speaker: Order. I have just refreshed my memory and I find that a motion was negatived yesterday. A motion was moved by Mr. Fulton, seconded by Mr. Blair, in these words:

> That the motion be amended by adding thereto the following words:
> "and that the said committee have power to send for persons, papers and records."

In view of the fact that this motion was negatived by the house, I think the hon. Leader of the Opposition should refrain from references to that particular phase of this problem.

Mr. Drew: Yes, Mr. Speaker, I shall not pursue it further. I regret that Your Honour did not notice that the hon. member for Provencher had been discussing that point at some considerable length.

Mr. Jutras: On a point of privilege, Mr. Speaker, I purposely did not discuss that point when the Speaker looked at me.

Mr. Fleming: It is on the record.

An hon. Member: Look at *Hansard*.

Mr. Drew: *Hansard* fortunately now speaks for itself.

An hon. Member: Let it speak for itself.

An hon. Member: Don't change it.

Mr. Drew: If the government really has any serious thought of making this committee on estimates an effective or an operative committee, and if there is one department that should be under examination, it is the Department of National Defence. That department, after all, directly or indirectly is responsible for the expenditure of nearly half of our very large budget. That department is one which certainly cannot be examined satisfactorily in the committee of the whole house.

Again I regret that it is necessary to deal with the speech of the hon. member for Provencher, because so little of it was relevant; but since it is the only statement made on behalf of the government I must take it that, up to this point at any rate, we should regard it as the explanation that is intended to come from the other side in regard to this motion standing in the name of the Prime Minister.

In his discussion of the subject he pointed out that there was a very different situation at Westminster, that there the estimates are so involved that they would not be able to consider them in detail. Nevertheless he suggested that here there is, of course, ample opportunity to deal with them in the committee of the whole house. Well, there is not a thoughtful hon. member of this house who does not know perfectly well that it is impractical in the committee of the whole house to deal with the estimates of the Department of National Defence and, for that matter, with any other department, in the way they should be dealt wtih and could be dealt with. Why was it that in setting up standing committees there was the power granted to those committees, as a matter of right, to call witnesses and to call for the production of papers and documents?

Mr. Deputy Speaker: Perhaps the Leader of the Opposition has forgotten that I just drew to his attention the fact that discussion of that particular phase of this matter is out of order.

Mr. Drew: Mr. Speaker, I would point out once again that I was dealing with what was said by the hon. member for Provencher, and I was dealing with it in order to correct a misstatement which was made and which was permitted without any interjection from Your Honour when it was made.

Mr. Deputy Speaker: I was not in the house when the words to which the hon. member has referred were spoken. I am now charged with the duty of trying to keep this debate relevant and in order. I have drawn to the attention of the Leader of the Opposition the fact that this very question was negatived yesterday. Under those circumstances I can do nothing else but ask him to refrain from referring to that phase of this problem.

Mr. Drew: I would point out that the 1947 committee on procedure recommended that we adopt in this house the same procedure in regard to all our committees that has been adopted at Westminster. That report of a committee of this house still stands as a matter of record. That report of a committee of this house, which after all represented the decision of members supporting this government as well as other members of this house, recommended a course which would have resulted automatically in our right to suggest the departments that should be examined. But even without that recommendation I submit that if this government really has any serious intention of making this committee operate, if this government is not merely making a pious pretence in its profession of offering some opportunity to examine the estimates, then it would name automatically, and even without request, the Department of National Defence.

Let any hon. members who are uncertain about how far the committees go in Westminster, which was suggested as the model by a committee on which the majority were members supporting this government, study the situation there. They will find that there the opposition is permitted to make suggestions as to the departments that should be called. There the opposition is given an opportunity to obtain information in regard to important subjects. If hon. member will read *Hansard* reports of the proceedings at Westminister they will find there the most detailed examination of the estimates of the department of defence in the government of the United Kingdom. They will find that members of that committee travelled to different parts of the United Kingdom and called at various military installations, where there were brought before them not only senior officers but officials. They had senior members of the general staff before their committee, and they asked them questions. The most detailed information was given.

Is it to be suggested that here in Canada we are in a less favourable position to place under examination our staff officers and our officials dealing with defence activities than they are in Britain? In this country our defence activities are extremely important and call for the allocation of nearly half of our very large budget. Nevertheless not one hon. member in this house would suggest that there are as secret problems involved in our own case, nor would they suggest that the scope and the general scale of the responsibilities of our department of defence are commensurate with those of the department of defence in London.

They are able to come before a committee. They are able to give information. Upon the basis of that examination—granted only an examination in this case of a single department at one time—they are able to place before the house detailed recommendations which have resulted in substantial reform, not only in the matter of administration but in the matter of accounting methods as well.

We are suggesting nothing that is unusual. We are suggesting the practice we have adopted in regard to all our standing committees. We are suggesting a practice that has worked favourably in that jurisdiction that was recommended as our model for a committee of this house in 1947. May I once again emphasize that what we are asking is reasonable. What we are asking is consistent with our own practice. What we are asking is consistent with the practice that has been adopted elsewhere under a jurisdiction which follows our own parliamentary traditions.

One thing that is certain—and I repeat it because it is in reference to the only statement that has been made on behalf of the government, or rather, I should say, on behalf of the government from the government side of the house in regard to any of the details—is that parliament has not been asked to choose the departments. Parliament is not being permitted to choose the departments. If the hon. member for Provencher really believed, as he implied, that parliament should have that authority, then let him vote for this amendment and let the hon. members opposite vote for this amendment. Then he would be consistent for the first time.

However, this resolution—an important resolution, one sufficiently important that the government feels that it should be considered as only in its experimental stages—stands in the name of the Prime Minister, and we are waiting to hear from the Prime Minister any valid reason why this reasonable request should not be granted.

Mr. J. R. Garland (Nipissing): I desire at this time to say a few words concerning the proposed amendment, which expresses dissatisfaction with the setting up of the committee as it is presently proposed. First of all, I think all parties in the house agree that the committee is desirable. I know that over the years I have had the pleasure of being here it has been recommended and urged by members in various quarters of the house. Therefore I think it is desirable. I believe the public have a right to expect that the closest possible scrutiny will be given to the expenditures that are made here. Our expenditures are now approximately $5 billion, and from the correspondence I get and my contacts at home in my own riding I know that the people are concerned that the very closest examination be given the money that is expended here. I think the committee is welcomed by the members, and despite what the Leader of the Opposition has just said I think it is a fair statement to say that those who were members of the committee last year were well satisfied with the results.

I should like to take a moment to put on record the words of the hon. member for St. Paul's (Mr. Michener) who, I might say, made a very worth-while contribution to the deliberations of the committee last year. I refer to the proceedings of the committee on estimates for Friday, March 18, 1955, and at page 427 I find that the hon. member for St. Paul's had this to say:

> I should also like to put myself and my associates on record in expressing our appreciation of the assistance which has been given to this committee . . .

The important thing is that these remarks were made on the last day of our consideration of the estimates of the Department of Citizenship and Immigration, which all of us will remember was the most controversial so far as discussion was concerned. Then, the hon. member for Jasper-Edson (Mr. Yuill) had this to say:

> I would like to add my word of congratulation and commendation to the officials for the straightforward way in which they gave their answers to some of these problems. I think they have done a splendid job and I really feel that this committee is worth while . . .

I think it is fair to say that the chairman of the committee summed up the attitude of the members when he made these remarks:

> It is very heart-warming to all concerned to think that when this important work of examining the estimates of a department of government on behalf of the people of Canada is over, that in spite of the differences we have had everybody can feel that the work has been well worth doing . . .

I have also taken the trouble to re-examine the work of the committee last year. It is now proposed that the committee be set up again and at present we have an amendment to the motion before us. I think the committee could be more useful, but I believe it can only become more useful with a change of attitude on the part of the official opposition. I say this in all seriousness. It is my understanding, and I believe the understanding of almost every member in the house regardless of party affiliation, that the committee should be used to get at the facts and examine the expenditures of the various departments under review, and that it should not be used as a forum for airing and re-airing a debate that has already taken place in this chamber.

I think the official opposition can be criticized on that point. Hon. members will recall that there were 36 sittings last spring, and I have taken the trouble to examine them. Of the 36 sittings, 16 were devoted to the Department of Citizenship and Immigration. In other words over 40 per cent of the time taken by the committee was devoted to one department. In the estimates of the four departments examined there was an expenditure of $347 million involved; yet 40 per cent of the time of the committee was spent in examining 10 per cent of the estimates, so far as amount is concerned, that came before us.

As hon. members will recall, most of the time was spent in attempts on the part of the official opposition members of the committee to bring before the committee and rehash the report or working papers—I forget the description—of the subcommittee of the civil liberties section of the Canadian Bar Association. Sixteen of the 36 sittings of the committee were spent on that department.

In my opinion the opposition have it within their power to make the committee more workable so that it will do a better job for the country generally. When the Leader of the Opposition is naming members of his party to that committee I suggest that he might well take a look behind him rather than beside him and put on the committee some of the backbenchers in his party, those to whom in our case he refers as following blindly. Incidentally, I do not see much division over there when it comes time to vote. He might give consideration to others than the ones who are involved in leadership over there, although perhaps "leadership" is too strong a word. I want to be fair. I think he might well consider some of those members who are elected to represent his party because of their ability as businessmen and responsible citizens in their own ridings. I am sure that in that party, as in all parties, there are many men who are capable of doing a job on the committee and are anxious to do so. I think he should give that some consideration. Let us forget political significance as far as this committee is concerned.

Mr. Drew: I am sure this is relevant to the motion.

Mr. Garland: I have often heard it said what a worth-while job is done by the committee on external affairs. For several years now the estimates of the department have been examined by that committee. I think it is a reasonable conclusion that the reason the committee has done useful work is that there has been a degree of unanimity as far as policy is concerned. The members of that committee have taken part in the work of the committee with a genuine desire to examine the estimates.

I think that can be done, and I would urge that more businessmen be given the opportunity to be members of this committee so as to get on with the job. I believe that suggestion will commend itself favourably to the majority of the fair-minded people of Canada.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I should like to make a few remarks in support of the resolution and the amendment. Both remind me very strongly of the situation Samson found himself in when his locks were shorn. He had a great name for power and strength, yet he found himself with neither strength nor a mind of his own. I feel that we have somewhat the same situation here. The committee has a powerful sounding name and is going to do wonderful

things but its teeth have been removed, particularly when the power to call for papers and witnesses is not granted.

I am not going to go any further on that. I would criticize the resolution very mildly, and I should like to make what I hope will be suggestions to improve committees of this type as far as the present and future sessions are concerned. Many of us who are just rank and file members of this committee have for a long time felt frustrated and that we were wasting time because the items came before the committee and went away in the same condition exactly, intact as the government first presented them. We had made very little impact on them beyond, as someone said, the fact that we obtained a great deal of information and we had questions asked and answered. But we got no action as a result of those questions or that information. I have often heard good proposals made by the opposition scorned and turned down because they were not made from the government side.

It is that frustration which I feel is making our committees in general ineffective and almost useless. I would call the committees on which I have sat something much like what President Roosevelt used to call his evening fireside chat. That is about all the effectiveness we have. We are lulled into thinking we are doing something when actually we are only having a pleasant time, and we come back to the house and start the thing rolling again. It seems to me that under the present set-up of committees we are not even told to take it or leave it. We are told to take it. We do not get the chance of leaving it. We are obliged to take it. The government majority see to it that we do, and that is the result at the end of the sitting.

I realize that the government must keep certain control, but I cannot for the life of me see why in committees they should keep the same rigid, strong and overwhelming control they have in the house. I would suggest to them that we would get far more effective results from the committees if the government allowed their followers to have a free vote all through the working committees so the net result would be a consensus of opinion from those committees which would represent all parties.

Failing a free vote in all committees I would suggest, as has been done in Great Britain, that the government, in order to create a balance of fairness in that committee, should ask one of the opposition members to be chairman. I think it has been done in England very effectively and fairly. That takes away that strong bias, that strong tendency to railroad things through according to government plan. It would indicate that the government are anxious to work with the opposition. I have seen good proposals made by the opposition, proposals which when made would carry the majority of the committee, but I have seen the vote withheld until the government side of the committee mustered some members in to vote with them. Those members came in.

I remember one instance two or three years ago. They knew nothing about the subject under discussion. They did not know the pros and cons of it. They did not know whether the resolution was a sound one, because they had not been there for the debate. Nevertheless they voted solidly, reminding one, as has often been said in this house, that they were a bunch of rubber stamps O.K.'ing what the government wanted on that particular item. This committee should have more power. True, it should not have power to pass laws, but it should have power to recommend something tangible to the house. I know that some recommendations have been made in the past, but they were very few and far between.

We are accused of being behind Great Britain by 40 years, but I suggest that we take steps to give more power to our committees, to change along the lines I have suggested. More than that, if the government wanted an effective committee and wanted an effective balance of views from the members in this house, I would suggest that every committee be composed of 50 per cent government supporters and 50 per cent opposition members. Failing that, I would suggest making the proportion 55-45. The present imbalance is not giving a true reflection of the thoughts of the people of this country while their members sit on the committee.

I am not going to say anything more about that matter, but I seriously make the suggestion that we are all anxious to see these committees functioning well, to the benefit of the people of this country. Until you get a better balance between the government group and the opposition group I am satisfied that you will never get effective action from any committee that is set up, no matter under what terms. More power must be given those committees to get the evidence required in order to come to conclusions.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I am intervening again in the discussion on this resolution mainly because of the speech made by the hon. member for Provencher (Mr. Jutras), a large part of which he devoted to what I think can correctly be described as a personal attack on myself and my participation in the work of the estimates committees last year.

However, I do not intervene solely for that reason, though I shall have something to say with reference to his charges. I intervene because, in addition, from two hon. members who have spoken from the government side we have heard words which make it abundantly clear, beyond any possibility of doubt that in the view of the members sitting opposite, committees of this sort will do effective, useful and acceptable work only so long as they come out with a unanimous report approving every action of the government and every proposal laid before them by way of estimates.

We have that view established out of the mouth of the hon. member for Nipissing (Mr. Garland). He states his view of a good committee, namely the committee on external affairs. He said they believe—and I took down his words as accurately as I could—that committee does useful work because there is a large degree of unanimity.

Mr. Garland: On policy.

Mr. Fulton: That is the criterion.

Mr. Garland: Unanimity on policy.

Mr. Fulton: All right; I will accept that limitation. The criterion or the operative principle there must be borne in mind. What they dislike is opposition or questioning. Whether it be on policy or detail makes no difference. We have seen it too often, whether the criticism was with respect to policy or detail. That is when they begin to find the work of the committee unacceptable. It is almost a form of lese majesty; you are daring to criticize the views, the suggestions and proposals placed before you by this omnipotent, all-wise and always correct government.

That is their attitude. We saw it quite clearly mirrored in the statement of the hon. member and in the statement of the hon. member for Provencher. He said that the hon. member—referring to myself—criticized the work done by the committee last year and suggested that it could be improved. He said "If he found it annoying, I wish he would know just how annoying the other members on the committee found his efforts to criticize and to have changes made".

Mr. Speaker, I expected the hon. members of the Liberal party to be annoyed. I know that they are annoyed whenever any attempts are made to expose the fact that the proposals of the government are not sound; and particularly are they annoyed when attempts are made—as they are being made here today and as was done last night—to give the committee the power to make an impartial and independent inquiry into the government's proposals.

I find myself somewhat complimented and flattered by the words of the hon. member for Provencher. To listen to him you would think that, single-handed and alone, I had been able to frustrate the entire work of the committee, and that every other member of the committee was full of irritation over the motions I placed before that committee last year, and as we are now placing before the house this year, in an attempt to free the hands of the committee and make it possible for that committee to obtain independent evidence.

Let us look at the record, Mr. Speaker. I point out to you that last year, out of a total membership of 26, the Liberal party had 16 members, over two to one against the combined opposition. In the committee eight motions were made in an attempt to empower it, first of all, to call witnesses and call for papers. Then an attempt was made to have documents produced, something which was denied to us time after time. There were eight motions. Here is the record of the vote on those eight motions. The first motion was defeated by a vote of 7 to 11. I would ask you to bear in mind the fact that the proportionate membership of the committee was 16 Liberals out of a total of 26 or over two to one.

Mr. Hosking: How do you get "two to one"?

Mr. Dickey: You are talking about quality, not quantity.

Mr. Fulton: I am sorry; I should say over half the committee.

Mr. Hosking: There is a slight difference. It is the usual distortion.

Mr. Fulton: All right, then; over half the committee. The first vote was 7 to 11. Was that a situation where the Conservative members were alone in that vote? Here are the statistics which show that it was not a single-handed effort, and it was only the opposition that was putting forward these suggestions. The second vote was 8 to 14. In each of these votes, except where I otherwise indicate, we were supported by members of the C.C.F. and Social Credit parties on that committee. The third vote was 5 to 10; the fourth vote, 5 to 10; the fifth vote, 8 to 13; the sixth vote, 3 to 13, and that is the only vote in which Conservative party members voted alone against the government. The seventh vote was 4 to 7 and on that occasion only one Social Credit member supported us. The eighth was 8 to 14.

That is the record of what actually took place there. It should, of course, be pointed out that, as we know always happens in these cases, the government members present voted solidly to support the views of the minister,

who was not very backward in indicating the way he wanted them to vote.

But far from it being a single-handed attempt by one member, or even by one party, to expand the powers of this committee so we could get at the facts, the record of these votes clearly shows that in every case but one it was the combined vote of at least two and in most cases the three opposition parties. In each of the votes except one the proportion voting for the motion which we offered was higher than the proportion of the total combined membership of the opposition on that committee. That is the record, sir, and I think it is important that the house should bear in mind that there was a high proportion of the members of the committee last year who felt that efforts such as we are making now in the house to enlarge the scope and powers of this committee should be supported.

Coming then to the amendment moved by the hon. member for Eglinton (Mr. Fleming) now before us, let me point out that this suggests the committee itself should decide exactly what items of the estimates it will take up. This is in accordance with the practice that has prevailed in the United Kingdom parliament since the inception of their committee in 1912. When Mr. Speaker himself was in the chair at the time the hon. member for Eglinton presented this motion, as I recall it he asked for the authority upon which the hon. member said this was similar to the practice at Westminster. Although I believe that the motion presented at Westminster does vary in some slight particulars from the motion on the basis of which the committee was first set up, in principle it does not vary. Here is the motion introduced by the Chancellor of the Exchequer, as recorded at page 360 of *Hansard* of the United Kingdom parliament for 1912:

> That a select committee be appointed to examine and report on such of the estimates presented to this house as may seem fit to the committee.

The motion of the hon. member for Eglinton is, of course, entirely in accordance with the practice prevailing over there.

What is necessary, sir, to make the work of this committee useful, to make the work of this committee contribute to a detailed and impartial scrutiny of the estimates presented by the government is not a change of attitude on the part of the members of the official opposition, as suggested by the hon. member for Nipissing (Mr. Garland). What is necessary is that the government should be willing to release the fetters which it seeks now to place upon this committee. If these fetters are permitted to remain, as we saw very clearly last year when the committee got to work, they will be squeezed even tighter and tighter to further hamper the work of the committee.

So far as the statements by the hon. member for St. Paul's (Mr. Michener) and other hon. members are concerned, which have been read, their effect is that we had before us senior civil servants. They were courteous, yes. They answered questions, yes. All those things were done, but we were not able to get other witnesses whom we wished to have before the committee. So far as those who did come were concerned, and so far as the questions which were put to them were concerned, they answered them in a courteous, friendly and helpful manner. The compliment paid by the hon. member for St. Paul's goes no further than that. To take that and try to say the hon. member for St. Paul's was saying we felt the committee was working in the way it should work is, of course, typical of the way in which my hon. friends opposite have to distort remarks out of their context and meaning in order to bolster their own very weak case.

I invite hon. members opposite to accept their responsibilities as members of parliament, to take an impartial approach and not reject the opportunity of determining themselves exactly what departments or what segments of departments they wish to investigate. If that is to be done, then this motion should be supported so the committee will have some independence of action.

If the motion is not supported by hon. members opposite, what are we to conclude? We are to conclude that they have no freedom of choice; that they have no opinion, no personal preference, no thoughts other than those suggested to them by the government as to which department they desire to investigate and how they wish to conduct the inquiry. They would be refusing to support a motion today, as they refused last night, which would give the committee the power, and that is all that is asked, to conduct its inquiry in the way it wanted. Instead of that, they will say, "No, we do not want to take even that power; we would prefer to conduct the inquiry exactly along the lines which our masters, the government, submit to us."

I urge my colleagues, even those who support the government, to remember that they will always have a majority on the committee. I take it that it is too much to hope that that situation would ever be changed. If they wish to follow the party line to that extent, they can still control the work of the committee, but will they not give themselves an opportunity to exercise a little independence of action by supporting the motion now before the house?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I am not rising to take part in the debate but on a question of privilege. If I understood correctly, the hon. gentleman who has just spoken implied that a document was denied to the committee by the government at the time my estimates were before the committee. As I was the only member of the government there at that time, that is a clear implication that it was denied by me.

I think if the hon. member will take the trouble to look at the proceedings of the committee he will find that he had a copy of the document and I did not. I asked him to lay it on the table of the committee and he refused to do so. If any document was denied to the committee, it was denied by the hon. member for Kamloops.

Mr. Fulton: On the same question of privilege, I may say I am surprised the minister would be so ready—

Mr. Pickersgill: To state the facts.

Mr. Fulton: —would be such a stranger to the actual facts. The minister will recall that he admitted in the committee and in this house that on reflection he found his department was in possession of the documents. They were in his possession and they were, therefore, in the possession of the department and the motion I presented to the committee sought the tabling of those documents by the department. We had so much controversy as to whether one set of documents was the same as the other that the obvious and proper way to settle it was to call upon the minister and the department to produce the documents, and a motion was made accordingly. My motion was voted down in the committee at the insistence of the minister.

Mr. Pickersgill: The record is there and it speaks for itself, as the Leader of the Opposition is so fond of saying.

Mr. Fulton: I have checked the record, and that is what it says.

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

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise for but one purpose, namely to ask the Prime Minister (Mr. St. Laurent), in whose name this motion appears, to explain why the committee is to be circumscribed by having submitted to it only those departments that have been hand-chosen by the government. I do not know why the Prime Minister has not said something. Lately he has been on a number of sit-down strikes in regard to these matters of such great importance to the country.

[Mr. Fulton.]

If the motion is sufficiently important to merit its introduction by the Prime Minister, surely the house and the country are entitled to know from the Prime Minister, rather than from lesser members on the government side of the house, why so reasonable a request on the part of the opposition is being denied. When one reads the letter of the Prime Minister to the Leader of the Opposition it is a strange thing to find the Prime Minister saying that certain departments have been chosen, the Department of National Revenue, the Department of Labour, the Department of National Health and Welfare and the Post Office Department, and that suitable arrangements have been made.

They have made suitable arrangements to appear before the committee. I do not know what these words "suitable arrangements" mean, but it is passing strange to me that departments should be warned months in advance that they are to be investigated, so they can make the necessary arrangements to give evidence before the committee.

What are those necessary arrangements, Mr. Speaker? It looks very much as if parliament is to have a peek into certain matters after those departments have made suitable arrangements to permit us to do so. As I see it, that is not the kind of investigation that was envisaged by the setting up of this committee, unless it is to be a kangaroo committee.

Mr. Fulton: It will be.

Mr. Diefenbaker: No; I prefer to believe that it ought not to be. Surely the Prime Minister can explain why. Is the committee to be blindfolded? It is not allowed to see documents; it is to be denied witnesses, except those chosen by the government. Finally, it is to be restricted to those departments which have made the necessary suitable arrangements. Surely a committee set up in that way will return the kind of report that the government expects suitable arrangements will demand on the part of that committee.

Mr. Michener: A directed verdict.

Mr. Diefenbaker: I have no argument about some of the departments of government that are to be submitted, but why not the Department of National Defence? That is the spending department today; that is the department that more than anything else over and over again is used as the basis for high taxation. The argument is used that taxation is high because of defence costs. Why is the Department of National Defence not included? It is not for me to say whether or not a military authority holding a high position was right when he said recently that

$120 million or more had been poured down the drain in connection with the production of certain aircraft already obsolete and out of date. Surely there was something to be investigated.

I cannot understand why this committee is to be confined to the departments the government chooses as those worthy of being investigated. The committee is to be a watchdog over the estimates, but it is to be muzzled in regard to that department in which the greatest expenditures take place. It is to be muzzled and blindfolded because it cannot call witnesses or see documents. It is to have brought before it such witnesses as the minister of the department, or the government in its wisdom, feels are proper to give evidence before it.

What kind of a verdict will be handed down by a court when one of the parties before that court picks out those witnesses who are to be heard, or if the judge just wants to hear one side, or the evidence of such witnesses as he desires to hear? What kind of a verdict would be rendered by a court of that kind? What kind of an independent verdict will be rendered by a court, the majority of whose members are appointed by and are responsible to the government? What are we trying to do? Is this to be just a caricature of a committee?

What possible objection can there be to allowing the committee to choose the departments it might look into and consider? Surely the government has not arrived at the point where it is afraid that its majority on the committee might choose departments other than those which the government desires? I do not think the government has much to fear in that regard. Then, if it is not afraid, why not at least give the committee the authority even though that authority, having regard to the experience of the past in those committees, may not be exercised except when the government permits the members of that committee who support the government to cast their votes accordingly? Why not include in this list of departments the Department of National Defence?

Again, I ask, what is this committee going to do? Is it going to be effective? The one in Great Britain is. I hold in my hand—and I am not going to fill up *Hansard* with quotations—"Constitutional Law" by Wade and Godfrey Phillips. On page 109 they set forth the functions of this committee. Without quoting from what is stated there, may I say it shows that the full committee of the house in a single session brought down 14 separate reports. It is effective; it investigates. It does not warn the department in advance by saying now, this is the department that is coming before the committee to be considered after it has made the necessary suitable arrangements.

I ask the Prime Minister, as the sponsor of this motion, will he not himself tell the house and the country why this committee is being restricted to the investigation of the chosen departments rather than permitting it at least the one prerogative right to determine what departments it wants to hear, or at least allow it the right to determine two of the four departments. Otherwise what have you? You have hand-chosen departments, government-chosen departments, placed before a government-controlled committee, and I am afraid it will be in the position of a tape recorder to record the government's wishes.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I rise on a question of privilege in view of the remarks made this afternoon in this house by the hon. member for Nipissing, the implications of which were extremely obvious, to the effect that the Leader of the Opposition did not allow any of the backbenchers in this party to take part in the discussions in the estimates committee.

I merely point out to the hon. member that I was a member of this committee last year. The hon. members for Perth (Mr. Monteith), Elgin (Mr. McBain), St. Paul's (Mr. Michener), Brandon-Souris (Mr. Dinsdale) and Ontario (Mr. Starr) served on this committee. I do not think, Mr. Speaker, they could be described as other than hon. members of the back benches of this party, and I thought I would like to see this matter put straight.

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I always listen with very great interest when the hon. member for Eglinton is speaking. I listened to him with great interest this afternoon and also last night. I was most impressed when listening to his arguments based on what was happening at Westminster. I even read his entire speech at noontime. However, after listening to the Leader of the Opposition this afternoon I must admit I am very much less impressed.

Coming back to the remarks made last night by the hon. member for Eglinton, he intimated that if this committee is still going to be set up on an experimental basis he would be ready to accept it and he would not be critical. I presume that the hon. member for Eglinton, being so closely associated with the Leader of the Opposition, should have had a meeting with his leader, because the Leader of the Opposition put on record a letter which he wrote to the Prime Minister and the answer he received.

I think that was a clear indication that this government was ready to recommend the

setting up of the committee on an experimental basis. How is it that the hon. member for Eglinton, after spending so much time and borrowing a lot of argument from Westminster, could present an argument like the one we now have, in view of the implication of the letter from the Prime Minister and the statement he made last night?

As a member of parliament I am, of course, always fearful to take part in a debate with which great legal minds such as that of the hon. member for Eglinton are associated. However, Mr. Speaker, it is my impression that when we are called upon to vote on a motion like this, parliament by the same token is really called upon to decide what it wants to do to formulate its own procedure.

I do not think the Leader of the Opposition is right in saying that parliament is denied the right to carry on its business in the way the Conservative party understands it should be carried on. Of course, it happens that I am a supporter of the Liberal party and most likely I would not be here if I had not supported the Liberal party; my opponent would have been here. But being a supporter of the government, and because I also happen to be a member of parliament, I could not help but be surprised when the hon. member for Kamloops referred to the big majority following up and endorsing the government. How could he be surprised? That is the way the population of Canada wishes it to happen. They would not expect me to divorce myself from the government measures recommended to the House of Commons which are to my own conscience the proper measures which should be adopted. It so happens that while I support the Liberal party I also support the government in putting into realization those policies which the people want.

I was also surprised at the remarks of the hon. member for Kamloops who, after listening to the hon. member for Provencher, said he did not blame the hon. members of the Liberal party for being annoyed when he suggests ways and means—

Mr. Fulton: I said I was not surprised.

Mr. Maltais: You took that word right out of my mouth. I am not surprised that the Conservative party feel rather embarrassed that amongst the departments which this government intends to recommend for examination is the Department of National Health and Welfare. I would say, Mr. Speaker, that I would be rather annoyed if I were to be called upon to give my justification for some estimates regarding social security concerning which I held a widely different view in former years from the view which I am now pledged to hold because of the popularity of some of the measures. Surely hon. members of parliament who are associated with the Liberal party can understand that very well.

Those, Mr. Speaker, were the remarks I wanted to make following the comments made by the hon. member for Eglinton and the hon. member for Kamloops.

I am always impressed also when I hear the hon. member for Cape Breton South, because he speaks with great common sense. There is no doubt that if the amendment which we now have were to be adopted, it would put in the hands of this committee all the power to bring before this committee any department which it might wish to call upon for examination. If this amendment were to be adopted we would be in a position where hon. members of this house would have to depend on the committee to tell the House of Commons which departments should be called upon to be scrutinized.

As a member of parliament who is not a member of this committee, I am also interested in the different departments. I also feel a certain amount of responsibility when certain estimates are called to be approved by this House of Commons. The right of each individual hon. member of this House of Commons would be denied if such power and authority were given to 30 members of this house who comprise the committee.

From comments made on more than one occasion by hon. members of the Conservative party one would be inclined to think they were the ones who were given the responsibility to lead this country. It has always been my opinion that it was the responsibility of the government to recommend to the house the estimates and the money for the administration of this country, and that it was the responsibility of this same government to take their case to the public to find out whether or not it had been properly administered.

Experience has shown that things have not been too bad in that particular sense. The only role for which I think I could be responsible in approving estimates as a member of parliament is to be convinced, to be justified before giving my assent to the estimates which are recommended to the House of Commons of which I am a member. I do not think I would need a lot of experts in many fields and departments to find out if the money spent on public works, for family allowances and for the assistance of agriculture has been unwisely spent. I do not need experts for that.

The hon. member for Cape Breton South pointed out the need for control to check on money spent outside the country in order

to learn if it has been spent wisely. One has to rely on the statements of officials and ministers of the crown. Surely it is rather amusing sometimes to hear the arguments of some hon. members on my left regarding statements which ministers of the crown have made, as they endeavour to discover contradictions in the statements made to the house. But the hon. member for Eglinton makes the statement to the house that if this proposal for the establishment of this committee is going to be carried out on an experimental basis for this year, then it is useless being critical about it. The hon. member can obtain information which he could use to form his opinions. The committee is going to be set up on an experimental basis.

They have not the responsibility of government yet. This is a measure I should say is very important, but there are many more important measures in the administration of this country. On a measure like this the Conservative party within 24 hours might give differing views of what they intend to do.

Mr. W. M. Hamilton (Notre Dame de Grace): I have just a few remarks to put forward on this particular amendment. Before doing so I should say that there was one statement made by the hon. member who has just resumed his seat which impressed me more than a little, although it impressed me adversely. That was his indication that he does not need a number of experts to convince him in respect to the items in the estimates. That may be. It may be that an hon. member such as the one who has just resumed his seat is omniscient enough to know all it is necessary to know about government expenditures totalling $4½ billion. It may be that an hon. member such as that gentleman knows in detail what is going on in the 20 government departments. It may be—

Mr. Maltais: On a point of order, I think the hon. member is giving a different meaning to what I just said. I said I did not need an expert because I have faith in this government.

Mr. Fleming: Therefore you do not need to think.

Mr. Hamilton (Notre Dame de Grace): That is the point I was coming to. I shall attempt to develop my argument. It may be that the hon. member who has interrupted with his pseudo point of order knows in detail what the 150-odd thousand government employees are engaged in doing. It may be—

Mr. McIvor: Order. One at a time.

Mr. Hamilton (Notre Dame de Grace): It may be that in his years in this house—or few years as the case may be—he has acquainted himself with all the facets of the government and its operations, but frankly I do not think so. That is my first point.

Since it is obviously impossible for any one individual to have the necessary knowledge and the necessary background information in order to be able to delve adequately, deeply and satisfactorily into the estimates that are put before us, it would seem to me that the only other sound and sensible course of action is to utilize the help and advice of others who may be able to give it. It is not sufficient to say, as the hon. member did, that he does not need a lot of experts to convince him because he has confidence in the government. That is tantamount to saying that if he were in a court of law he would hear only one side of a case. It is tantamount to saying that he does not really need to know very much about a given subject in order to stamp it with his approval because he believes that right or wrong, no matter what the situation may be, the men who put forward that proposition must have his support.

In so far as I personally am concerned, I am quite prepared to confess as an individual my inability to know in great detail all that goes on in the manifold ramifications of this government's operations—

An hon. Member: I am not surprised.

Mr. Hamilton (Notre Dame de Grace): —and to say that I shall be very happy, in opposition to the hon. member, to hear at any time as many experts as possible on the subjects that come before this house.

Having made that comment on the hon. member's speech, there are one or two other points with which I should like to deal. I could not help wondering once again this afternoon, as I sat listening to the debate in this house, just what kind of government, apart from one bearing the political label "Liberal", we have at the present time. I have heard it referred to in various ways: as government by rubber stamp; government by fiat; on occasions, perhaps too strongly, government by dictatorship, but I rather came to the conclusion this afternoon that we now have government by letter.

I do want to express my astonishment, my dismay and my disappointment in the right hon. gentleman who heads this government, who holds the title of Prime Minister and is the titular, if not any more the actual, head of the government, in that the only evidence we have had of his connection with this motion, which stands in his name on the order paper, is, first, the fact that his name is attached to it and, second, as was developed this afternoon, the fact that he wrote a

letter in connection with the subject to the Leader of the Opposition. It might very well be pointed out that even that letter had to be pried out of him by previous correspondence.

I feel that it is a straightforward reflection on this house that we should be asked to accept legislation of this kind, to debate and vote on it, with no more comment than, I think, from three honourable—shall we call them "ordinary"?—members of the government party. I do not like the term "backbenchers" because one of the members who spoke is a front bencher in the rump. Of course we did have a point of order raised by the Minister of Citizenship and Immigration—

Mr. Pickersgill: I did not raise any point of order.

Mr. Hamilton (Notre Dame de Grace): It was a point of privilege rather than a point of order. And we had the previous statement of the Minister of Finance. The two of them put together did not make even the basis for decent notes for a speech, much less any adequate comment on this particular motion.

We have watched the Prime Minister sitting in this house since the inception of this debate, with the exception of one very brief absence this afternoon, when I thought he was getting tired of it and had given up completely any connection with it. I must say, however, in fairness to the Prime Minister that he had only this one very brief absence when the debate was going on.

Sometimes he has looked interested and has perked up. There was a moment last night while the Leader of the Opposition was speaking when I thought he might take his courage in both hands and rise and speak to the house. But then he sank back again. When the hon. member for Prince Albert was making a few pertinent remarks this afternoon there was a moment when I thought the Prime Minister might get up, but again he sat back.

Mr. Gauthier (Portneuf): How smart.

Mr. Hamilton (Notre Dame de Grace): I do want to say that while I may not always agree with what the Prime Minister has to say, I appreciate the opportunity to hear his point of view. In fact I appreciate the opportunity to hear any member's point of view, and none more so than those of the cabinet. If for no other reason than to give us that point of view, if for no other reason than to give it to me if he feels he does not want to give it to anybody else—

Some hon. Members: Oh, oh.

[Mr. Hamilton (Notre Dame de Grace).]

Mr. Hamilton (Notre Dame de Grace): —I want to add my own personal request that before the debate is over he make some contribution. No matter how limited, no matter how erroneous it may be in my opinion, I plead with him to make some contribution in the age-old tradition of decent, responsible government.

The amendment before us suggests that the committee should be permitted to select the departments it will consider. At the present time, under the motion as originally put forward and as further evidenced in the debate this afternoon, the government selects the departments that are to be examined by the committee. It flashes the red light to them a long time before and says in effect: Boys, get ready; the estimates committee is going to have a look at you. It will not be a very good look. We as a government will see to that by hedging them around with restrictions, by loading the committee with our members and by seeing that nothing that will bring about a really deep investigation goes through the house. We are going to do our best to protect you, but you never can tell about those opposition people who are on the committee. They work hard, they dig pretty deep, and even with all the stumbling blocks we put in their way it is quite possible that if you are not adequately prepared they might find out your misdeeds or misdoings.

Therefore the government say to their selected departments: Get ready for the committee. Smooth anything that you think might be embarrassing to yourselves. Prepare figures and make sure that the only figures you prepare are ones that will not be embarrassing to anybody. In effect the government say: We will be very annoyed if you go to the estimates committee and find yourselves caught off base, and that is why we are giving you all this notice. In effect that is the intent, purpose and actual operation under the present system.

Imagine the additional effectiveness of the committee if it made its own decision following its formation and within the matter of a few days called before it a given department and began to ask the minister of the department and, through him, the officials, questions as to its operation. How is it that defalcations in banks, for example, are discovered? As has been the case from time immemorial, they are discovered when the bank examiners walk in unexpectedly and say, "Let us have a look at your books and your operations".

An hon. Member: Order.

Mr. Hamilton (Notre Dame de Grace): I think there is a point of order, Mr. Speaker.

Mr. Gauthier (Nickel Belt): You are making your own.

Some hon. Members: No.

Mr. Fleming: They are talking in their sleep.

Mr. Gauthier (Nickel Belt): You are looking for one.

Mr. Hamilton (Notre Dame de Grace): How is it that in businesses weaknesses, inaccuracies and defalcations are found? They are found when the auditors come in, sit down and examine the operations of the particular business. For a good many years it was my privilege to be one of the businessmen about whom the hon. member for Nipissing was talking. I want him to know that never in my experience did the auditors telephone me or my organization a week, a month or three months before and say, "We are going to come in and examine your books and records, so will you please make suitable arrangements."

I do know that on occasion in small ways—fortunately there have never been any big ones—the element of surprise has demonstrated its advantages in my ordinary business experience. For instance, let us take the case of petty cash from which someone had temporarily borrowed a few dollars to tide them over to pay day and had put in an I.O.U. That is the sort of thing which if you knew what was going to happen beforehand you would cover up by putting the money back in the box today instead of on pay day. However, the auditors walk in unexpectedly, and I have had them come to me and say that there was an I.O.U. in the petty cash from someone on the staff and ask me if I knew that this was taking place and whether I had authorized it.

I realize, Mr. Speaker, that some of these business illustrations are difficult for the professional politicians on the government side to comprehend, but I put them forward because I know they are easily understandable to the businessmen in this section of the house. I believe definitely that the element of surprise is lost by warning departments in advance, preselecting them several months before and then having their operations rubber stamped by the government majority. The principle of warning departments in this way is not a fundamentally sound idea. It detracts from the usefulness, vitality and ability of the committee to seek out information.

Another point in that connection which might well be made arises from the reference in the Prime Minister's letter, to the departments making suitable arrangements. To me that indicates a lack of confidence on the part of the Prime Minister and the cabinet in the civil service and the departments under their direction. If I should ever occupy a seat on the treasury benches, where I would listen to the catcalls from this point, it would be my hope to have the kind of department that people could come and look at at any time, a department that would not have to have advance warning. If you have to have advance warning it indicates that something is wrong. It indicates that it is necessary to sweep the dirt under the carpet.

In this connection the last question which I would leave hanging in the air is simply this. What is the government hiding that they have to follow this particular course of action? Why will they not face up to an unfettered committee free to follow where its instinct and intelligence lead? The Prime Minister is still in the house, Mr. Speaker. I am sure he might have something to say on this subject. I hope that he will in some way express his opinion on his own motion. I do not think he would want to bring into this world a baby that was completely fatherless. That seems to be the way it stands at the present time.

Some hon. Members: Question.

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

Some hon. Members: Question.

Mr. Speaker: Just before I put the question, for the information of the hon. member for Eglinton and the house, may I indicate why I said earlier that I had some doubts as to the amendment being in order. I may say immediately that I will allow the amendment. I will allow it, not because I am not sure of my ground but because I believe that the point is a rather difficult one and one upon which I think it is appropriate that I should only enter a caveat before I allow the amendment.

The two grounds are as follows. The first is that whereas the motion which is on the order paper merely proposes to set up a committee without giving the order of reference, the amendment is a major alteration to the notice of motion and proposes what the order of reference will be. According to Beauchesne, third edition, citation 315:

> A new notice must be given in the *Votes and Proceedings*, under standing order 45,—
>
> Now standing order 41.
>
> —when a material change is to be made to a notice of motion before it is taken up by the house.

The second point has to do with the difference between the wording of the amendment or the motion as amended, and the wording which is supposed to have been copied from the United Kingdom order of

reference for the formation of such a committee. I was lucky enough to obtain, through the good offices of the hon. member for Eglinton and the hon. member for Kamloops, the book which was referred to earlier in the debate by both hon. members. It is entitled "Parliamentary Debates, 5th Series, volume 37, 1912". The Chancellor of the Exchequer, who was then Mr. Lloyd George, in bringing in his motion, moved it in the following terms:

> That a select committee be appointed to examine and report on such of the estimates presented to this house as may seem fit to the committee.

The question that I should like hon. members to ponder is this, and it is the reason I am not making a ruling. I have in my hand treasury paper No. 6 of the United Kingdom which is entitled "Parliamentary Supply Procedure" and was issued by the treasury for official use in January, 1949. At page 58 I find the following:

> For present purposes the important part of this report—

An earlier part of the report recommended that the house continue having a committee on estimates.

> —is that in which the committee reaffirmed the desirability that the estimates should be examined by a select committee, in addition to and if possible prior to, their consideration in committee of supply.

In the United Kingdom I believe they do not withdraw from the committee of supply the estimates that are to be considered by the committee on estimates.

Mr. Fulton: Nor do we.

Mr. Speaker: Here our practice has been different. As to the estimates pertaining to government-owned railways, to the Department of External Affairs, or to the departments referred to the committee on estimates last year, it had been the practice to move that these estimates be removed from the committee of supply and referred to the committee on estimates and then, when they are reported back by the committee, there had to be another motion to send them back to the committee of supply.

I ask hon. members who made that motion to get them from there where they are now and who made that motion to bring them back? That is government business, and must be moved by the leader of the house. If the house wish to accept this motion, as the wording is now it would read as follows:

> That a select committee to be designated be appointed to consider such of the estimates as may seem fit to the committee and to report from time to time its findings and recommendations to the house.

Unless the house were assured that there would be made by the leader of the house a motion to extract some estimates from the committee of supply, saving all the power of that committee to consider them later, and that when they were reported by the committee a motion would be made by the leader of the house to send them back here, it would be absolutely inoperative. That was the procedure until it was altered by standing order 57.

As I said before, I am not going to make a ruling because I am not too sure about the practice of the United Kingdom, and I do not want to deal any further with it because I think in doing so I would be debating a question which has been at issue between the two sides in the house.

The house divided on the amendment (Mr. Fleming) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Leboe
Argue	Lennard
Balcer	Macdonnell
Barnett	MacInnis
Bell	MacLean
Blackmore	McBain
Blair	McCullough (Moose Mountain)
Brooks	McGregor
Bryce	McLeod
Bryson	Michener
Cameron (Nanaimo)	Mitchell (London)
Campbell	Monteith
Cardiff	Montgomery
Castleden	Murphy (Lambton West)
Charlton	Nicholson
Coldwell	Nickle
Diefenbaker	Noseworthy
Dinsdale	Nowlan
Drew	Pallett
Dufresne	Patterson
Ellis	Pearkes
Fairclough, Mrs.	Perron
Fleming	Poulin
Fulton	Quelch
Gagnon	Regier
Gillis	Robinson (Bruce)
Girard	Small
Green	Smith (Battle River-Camrose)
Hamilton (Notre Dame de Grace)	Stanton
Hamilton (York West)	Starr
Hansell	Stewart (Winnipeg North)
Harkness	Thatcher
Hees	Trainor
Hodgson	Tustin
Holowach	Van Horne
Howe (Wellington-Huron)	White (Hastings-Frontenac)
Johnson (Kindersley)	Yuill
Jones	Zaplitny—78.
Knight	
Knowles	

NAYS

Messrs:

Anderson	Batten
Applewhaite	Beaudry
Arsenault	Benidickson
Ashbourne	Bennett
Balcom	Blanchette

Boisvert	Leduc (Verdun)
Boivin	Lefrançois
Bonnier	Legare
Bourget	Lesage
Bourque	MacNaught
Breton	Macnaughton
Brown (Brantford)	McCann
Brown (Essex West)	McCubbin
Buchanan	McCulloch (Pictou)
Byrne	McDonald
Cameron (High Park)	McIlraith
Cannon	McIvor
Cardin	McMillan
Caron	McWilliam
Carrick	Maltais
Carter	Mang
Cauchon	Marler
Cavers	Martin
Cloutier	Menard
Crestohl	Meunier
Dechene	Michaud
Denis	Mitchell (Sudbury)
Deschatelets	Monette
Deslieres	Murphy (Westmorland)
Dickey	Nixon
Dumas	Pearson
Dupuis	Philpott
Eudes	Pickersgill
Fairey	Pinard
Forgie	Pommer
Fraser (St. John's East)	Power (Quebec South)
Garland	Power (St. John's West)
Garson	Proudfoot
Gauthier (Lake St. John)	Prudham
Gauthier (Nickel Belt)	Purdy
Gauthier (Portneuf)	Ratelle
Gingras	Reinke
Gingues	Richard (Ottawa East)
Gour (Russell)	Richard (St. Maurice-Lafleche)
Gourd (Chapleau)	Roberge
Gregg	Robertson
Habel	Robinson (Simcoe East)
Hanna	Rochefort
Hardie	Ross
Harris	St. Laurent (Quebec East)
Harrison	St. Laurent (Temiscouata)
Healy	Schneider
Hellyer	Shipley, Mrs.
Henderson	Simmons
Henry	Sinclair
Hollingworth	Smith (York North)
Hosking	Stick
Houck	Stuart (Charlotte)
Howe (Port Arthur)	Studer
Huffman	Thibault
Hunter	Tucker
James	Valois
Jutras	Viau
Kickham	Villeneuve
Kirk (Antigonish-Guysborough)	Vincent
Laflamme	Weaver
Lafontaine	Weir
Langlois (Gaspe)	Weselak
Lapointe	White (Waterloo South)
Lavigne	Winters—142.
Leduc (Gatineau)	
Leduc (Jacques Cartier-Lasalle)	

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Last evening I had some remarks to make on this resolution, but I did not have an opportunity to move an amendment. I would like to do so at this time. Perhaps the house will bear with me for two or three moments while I give the reasons why I wish to move this particular amendment.

I stated last night that I certainly support the setting up of the estimates committee. I think it did good work last year; but certainly no one should assume that if this committee is set up our parliamentary machinery for examining estimates will be brought up to date. Nor should anyone assume that because we set up this committee, parliament is adopting a procedure which is genuinely efficient and effective. At best we are just beginning to come to grips with the over-all problem.

I hold in my hand page 2 of the estimates of this year. As I understand it, when this committee is set up four departments are to be referred to it. But what about the other 15 major departments? I can only assume that they are still to be dealt with by the committee of the whole. I find on page 2 of the estimates not only 19 major departments, but also a good many minor departments which will still have to be dealt with by the committee of the whole.

This afternoon the hon. member for Cape Breton South suggested that he felt it was the duty of parliament to examine the estimates. I could not agree with anything more. Unfortunately, today it is not parliament that is really scrutinizing these estimates; it is the civil service as represented by the treasury board and certain officials of the Department of Finance. I have nothing against the committee of the whole going over the estimates after they have been worked over by individual committees, but I say it simply is impossible to efficiently examine estimates in committee of the whole alone. That committee is too hurried; it is clumsy; it is unwieldy. While you can ask questions of a minister, it is almost impossible to get answers which are satisfactory.

I say, Mr. Speaker, that every single estimate, before it is brought into the committee of the whole, should be reviewed first by one parliamentary committee or another. Early in the session the agriculture estimates should be referred to the committee on agriculture and colonization; finance and national revenue should be referred to the banking and commerce committee; perhaps the defence estimates, which the opposition spoke about this afternoon, should go to a special defence committee, and so on. I repeat, every single estimate which is brought down in this house should first of all go to a special committee.

I should also like to say a word about our crown corporations. I for one am not satisfied with the way in which crown corporations are being dealt with in parliament. I have been here since 1945, and as I said last evening

there are many crown corporations that I do not think have ever come before parliament. I think for a moment of the Polymer Corporation and the Canadian Commercial Corporation.

Mr. Speaker: Order. I am afraid the hon. member is repeating almost in exact terms the speech he made yesterday, which I had the pleasure of listening to.

Mr. Thatcher: Well, I do not think I am, sir. I wanted to explain my amendment before I moved it. I ask you to think for a moment, Mr. Speaker, of Central Mortgage and Housing Corporation. Here is a company that is spending literally hundreds of millions of dollars. Is it not reasonable that some parliamentary committee should look into the way it is spending that money? I think for a moment of the St. Lawrence seaway authority. That agency is going to be spending a good many millions of dollars. Should not some parliamentary committee look into the way in which that money is being spent? I think for a moment of the Bank of Canada. After all, the Bank of Canada directs Canadian financial policy. Surely it is sensible for some parliamentary committee to look into its activities. I think of Eldorado Mining and Refining Company, a company which has so much to do with the production of uranium for the free world. Surely it is sensible for a parliamentary committee to examine the way in which that company is spending its money.

I could mention crown assets; I could mention the Export Credits Insurance Corporation, a company which plays such a role in encouraging Canada's export trade. I say that every crown corporation owned by the people of Canada should be brought before one parliamentary committee or another at least once a year. Therefore, Mr. Speaker, I am going to move, seconded by the hon. member for Lapointe (Mr. Girard):

> That the motion be amended by adding at the end thereof the following words:
> "and that the estimates of any department or crown corporation, not already referred to a standing or select committee, be referred forthwith to such a committee for examination and report."

I say, Mr. Speaker, if the house would pass this particular motion, in future if there is waste and extravagance in some of these departments or corporations, parliament would have a much better chance of finding it.

Mr. Speaker: I have listened very carefully to the terms of the hon. member's amendment and I regret to have to inform him that I cannot accept it. Citation 315 of Beauchesne's Parliamentary Rules and Forms, third edition, reads as follows:

> A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice.
>
> A new notice must be given in the *Votes and Proceedings*, under standing order 45, when a material change is to be made to a notice of motion before it is taken up by the house.

I would also refer the hon. member to certain rulings which have been made on this subject. I have one in mind particularly, where the house was considering the setting up of a committee for the purpose of considering the accounts of a government-owned railway. An amendment had been moved to empower the committee to also consider the accounts of a private company. This was ruled out of order by Mr. Speaker Black at page 642 of Beauchesne's third edition. Mr. Guthrie raised a point of order and said it is a substantive motion and should be brought before the house as such with notice given in the ordinary way. Mr. Speaker Black declared the point of order well taken.

There are other rulings in Beauchesne to which I could refer the hon. member. One appears at page 633 and is the ruling of Mr. Speaker Lemieux. Another one appears at page 635, a ruling of Mr. Deputy Speaker Fred Johnston. I am sorry, but I cannot accept the amendment.

Mr. Thatcher: Mr. Speaker, I am certainly not going to challenge your ruling. As a matter of fact I rather expected it. However, in view of the latitude you showed when the last motion was moved I was rather hoping you might let me proceed. As I say, however, I am not going to hold up the house at this time.

Mr. Harris: Mr. Speaker—

Mr. Speaker: If the Minister of Finance speaks now he will close the debate.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I shall be very brief and will endeavour to be finished before six o'clock. I have two or three observations to make, the first one being that the hon. member for Eglinton complained that we delayed the placing of this motion before the house. Surely it is obvious to the house, Mr. Speaker, that the legislation which should have been disposed of first this session was that on which an engagement had been made to introduce that legislation in the house.

When we met here we were under the criticism of previous years that we had interrupted the address debate, and because of the new rules we were asked to continue the debate

until it was concluded. We did that. We then took up the legislation, as I say, on which I had given an engagement to the banks; and if we had not done that I am satisfied that hon. members of the Conservative party would have claimed we were ignoring parliament and not submitting to the judgment of parliament that decision of last November.

I want to refer very briefly to what the hon. member for Moose Jaw-Lake Centre has said about all estimates going to committees. I realize that he is away ahead of many hon. members of the house, but perhaps that is consistent with the attitude he has taken throughout. I might also say he is apparently consistent in trying to save money in the speeches he makes in this house. It was suggested to me by one of my colleagues last night that it would be interesting if we sent to some committee all the suggestions made by opposition members for the spending of money, to have a price tag put on them.

Last night the hon. member for Winnipeg North Centre made a remark which I think we ought to examine not now but at some future time. His suggestion, I think, was that we should continue to send before this committee members of the civil service, of whatever rank they may be, ultimately to find someone who would disagree with government policy. Now it is my—

Mr. Knowles: On a point of privilege, Mr. Speaker, the minister—

An hon. Member: Sit down.

Mr. Knowles: —the minister should not put words in my mouth which I did not utter at all. I said we wanted to find out who was running the government of this country.

Mr. Harris: Yes. And, Mr. Speaker, he went on to say that he wants to find out whose idea a particular thing was. The whole essence of parliamentary government is that the civil servants will carry out the orders of parliament and government policy. Whether or not they agree with it in the first instance they are of course obliged to give their opinion, and once an opinion is given and once a policy is announced it is their duty to carry it out.

I have just one more point, and it has to do with the remarks made this afternoon by the Leader of the Opposition with respect to the business of this committee. I have always said that this was an experiment, and I took some pains during my address a year ago to point out the difference between what we thought an estimates committee should be—and when I say "we" I mean parliament and all parties in it, not the government—as compared to that of the United Kingdom. I made the point that we did not expect, and I had never heard anyone in this house suggest, that we would end up with an estimates committee such as they have in the United Kingdom.

In the United Kingdom the committee of supply deals with policy and the committee on estimates deals with detail. Thus far we have not come to a conclusion here as to whether or not the estimates committee should deal with policy or detail. Nevertheless we never did expect—at least I do not think anyone expected—that we would have a committee which would travel throughout Canada, take evidence from sundry people, and publish a report months after the estimates were placed before parliament. The whole purpose of the estimates committee is to deal during the current session with the estimates that are submitted, so that parliament may be entitled to reject them if it feels it advisable during that session.

I have nothing further to add except that with respect to the work of the committee we did as the Prime Minister indicated we would do in the letter he wrote in response to the letter written by the Leader of the Opposition. In this letter the Prime Minister indicated that we had decided to recommend to parliament that four departments come before the committee. It should be noted, however, that in reading that particular portion of my address the Leader of the Opposition did not go on to read the following paragraph in which I said that having done that, and having in mind the amount of time parliament would have, we would do our best to meet the wishes of the opposition and call some other departments if we had time.

Motion (Mr. St. Laurent, Quebec East) agreed to.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue with these motions and the business I indicated on Monday night, I think it was. On Friday we shall take the estimates of the Department of Fisheries.

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:

BUTTER—SELLING PRICES

Question No. 30—**Mr. Blair:**

1. What is the present government selling price of butter on the Canadian market?
2. What was the government selling price of butter on the market on the corresponding date of last year?
3. What are the factors entering into the difference in selling prices at present and on the corresponding date last year?
4. Does the government propose to follow the policy of former years with respect to carrying costs of butter owned by it and the industry including producer co-operatives, as stated or implied by the minister?
5. If not, does the government propose to compensate owners of butter against loss with respect to such carrying costs?

Answer by: **Mr. Gardiner:**

1. The present selling price of Canada first grade butter in Canada is on the basis of 58 cents per pound.

2. On the same date last year, the selling price of Canada first grade butter in Canada was on the basis of 61 cents per pound.

3. By absorbing the handling charges, the government is offering butter in Canada at the lower price for the purpose of encouraging increased domestic consumption.

4. The board made known at June 30, 1955 that they did not propose to follow the policy of former years.

5. No, since any storing of butter was done voluntarily.

PEACE RIVER AREA—ECONOMIC SURVEY

Question No. 54—**Mr. Leboe:**

1. Has the federal government made any economic surveys of the British Columbia-Alberta sections of the Peace river area within the last 10 years?
2. If so, when, and who made these surveys?

Answer by: **Mr. Gardiner:**

1 and 2. Economics division, Department of Agriculture made the following economic surveys: (a) High Prairie area in 1951; (b) Wanham-Spirit River area in Alberta and adjoining area in British Columbia in 1953; (c) Fort Vermilion area in 1953.

P.F.R.A.—FEDERAL EXPENDITURES

Question No. 119—**Mr. Brooks:**

1. How much money was spent by the federal government under P.F.R.A. in each of the prairie provinces, in the years 1952, 1953, 1954, 1955?
2. What is the total amount spent up to January 1, 1956 under this act?

Answer by: **Mr. Gardiner:**

1.	Manitoba	Saskatchewan	Alberta
1952-53	$311,742	$3,305,045	$420,275
1953-54	486,957	2,944,281	449,228
1954-55	227,963	2,964,180	630,797
1955 to Dec. 31/55	165,864	2,567,074	400,884

2. Total P.F.R.A. to January 1, 1956—$53,893,950.

Note: Expenditures for major irrigation and other reclamation and land protection works, administered by the P.F.R.A., are not included in the above.

CIVIL DEFENCE ALLOCATIONS, PRAIRIE PROVINCES

Question No. 166—**Mr. Pearkes:**

1. What amounts have been allocated to the various provinces for civil defence, during the years 1954 and 1955?
2. On what basis are the amounts allocated?
3. What amounts, from the funds allotted, have been spent by each province?

Answer by: **Mr. Martin:**

1. Amounts allocated for each of the fiscal years 1954-55 and 1955-56:

Newfoundland	$ 45,863
Prince Edward Island	10,827
Nova Scotia	92,128
New Brunswick	63,777
Quebec	603,375
Ontario	692,036
Manitoba	117,286
Saskatchewan	91,490
Alberta	118,922
British Columbia	187,272

2. Under the terms of order in council P.C. 1955-30/1240 of August 26, 1955, funds are allocated on the basis of 11 cents per capita of population as reported in the 1951 census, with an additional 9 cents per capita of population in areas that have been designated by the federal civil defence co-ordinator as target areas.

3.

	1954-55	1955-56	
	Expenditures	Projects approved to Feb. 15, 1956.	Expenditures to Feb. 15, 1956.
Newfoundland	$ 21,373	$ 30,500	—
Prince Edward Island	—	—	—
Nova Scotia	17,925	39,434	—
New Brunswick	12,433	27,087	—
Quebec	—	—	—
Ontario	18,122	219,544	15,760
Manitoba	25,892	58,256	9,480
Saskatchewan	42,807	51,682	24,782
Alberta	118,922	47,845	—
British Columbia	158,350	173,013	41,285

POST OFFICE DEPARTMENT—INSTRUCTIONS REGARDING BURGLARIES

Question No. 167—**Mr. Hamilton (Notre Dame de Grace):**

1. Has the Post Office Department issued instructions to postmasters concerning the procedure to be followed when a theft or burglary is discovered?
2. If so, do such instructions, or any others, comment on release of information to the press in connection with thefts or burglaries from the post office?
3. Has it been suggested or directed in any form that no information in connection with such events be released by the local postmaster?

Answer by: **Mr. Lapointe:**

1. Yes.
2. Yes.
3. No.

SMOKED HERRING EXPORTS TO BELGIAN CONGO

Question No. 191—**Mr. Regier:**

1. At what time and in what manner did the Department of Trade and Commerce make inquiries in the Belgian Congo as to the possibility of disposing for human consumption of the smoked herring that was evidently sold under authority of order in council P.C. 1954-981, June 30, 1954?
2. Were any of the replies to the Department of Trade and Commerce to such inquiry in the form of a letter or other written communication?

Answer by: **Mr. Howe (Port Arthur):**

1. On December 1, 1953, an air mail letter was dispatched to our trade commissioner in Leopoldville requesting an urgent report on market prospects in the Belgian Congo for hard cured smoked round herring (bloaters).

2. A reply by cable was received on December 14, 1953, stating that the responsible firms in the Belgian Congo were reluctant to import the bloaters. A follow-up letter was sent the same day (December 14, 1953) by the trade commissioner confirming in detail that no market existed in the Belgian Congo for this particular fisheries product.

HOUSE OF COMMONS

Thursday, March 1, 1956

The house met at 2.30 p.m.

CIVIL SERVICE ACT

AMENDMENT TO GIVE PREFERENCE TO BILINGUAL CANDIDATES

Mr. Fernand Girard (Lapointe) moved for leave to introduce Bill No. 159, to amend the Civil Service Act.

Some hon. Members: Explain.

Mr. Girard: Mr. Speaker, the proposed amendment is intended, without interfering with the preference now rendered to our veterans, to grant a certain preference to bilingual competitors eligible for appointment as the result of civil service examinations. The bill does not require civil servants to be bilingual but it gives a certain preference to candidates who fit better the bilingual character of the country.

Motion agreed to and bill read the first time.

PRIVILEGE

MR. DUFRESNE—REFERENCE TO PRESS REPORT OF REMARKS IN DEBATE

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I rise on a question of privilege. On Tuesday, the 28th of February, 1956, as stated in *Hansard* of that date on page 1617, I asked the Minister of Citizenship and Immigration the following question:

Is it the minister's intention to recommend special security measures to be taken upon the return of Tim Buck from Moscow?

A newspaper report the following day, February 29, incorrectly stated:

A Quebec Conservative member of parliament suggested ironically in the Commons today that Canadian communist leader Tim Buck would need "protection" when he returns from the communist party congress in Moscow.

This news report had the effect, no doubt inadvertently, of leaving the impression that I was asking for protection for Tim Buck, while my purpose was to suggest that protection should be taken against Tim Buck.

I deplore the interpretation given to this question by the press. I believe it is most unnecessary for me to declare again my firm determination to fight, by any means at my command, communism in Canada. My very question was prompted by my desire to protect the Canadian people from the danger of communism, and the possible and probable stepping up of communist activities in Canada as a result of Tim Buck's return—

Mr. Speaker: Order. I had hoped that the hon. member could finish his statement before I was obliged to intervene. Unfortunately I must tell him that, for the purpose of that question of privilege, it looks as though he is going beyond what is necessary.

Mr. Dufresne: Mr. Speaker—

Mr. Speaker: Order. The hon. member has stated his question of privilege and has put the record straight.

ST. LAWRENCE SEAWAY

EXPROPRIATION OF PART OF CAUGHNAWAGA INDIAN RESERVE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I wish to direct a question to the Minister of Transport. What is the amount of the settlement which the St. Lawrence seaway authority has agreed to pay as compensation for the land being expropriated from the Caughnawaga reserve? I regret that I have not given the minister longer notice.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. member was good enough to send me notice of this question just as the house opened. I am unable to tell him what is the amount of the settlement to which he refers. It will be necessary to consult with the authority to find out whether the information is available and whether it should be made public.

UNEMPLOYMENT INSURANCE

EASTERN QUEBEC—ALLEGED DISQUALIFICATION OF WORKERS

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct to the parliamentary assistant to the Minister of Labour a question of which I did not have time to give him notice. I should appreciate it if he would give me an answer at some future time. Did the Minister of Labour (Mr. Gregg) or his department receive any representations

from woodworkers in eastern Quebec who have been disqualified for their unemployment insurance because they could not afford to pay their train fare to go and work in the bush around Clova, Quebec? If so, can he tell us whether the number of unemployed so disqualified is some 2,000 or over and what steps the department is going to take with regard to the matter?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, in the absence of the Minister of Labour may I take the question as notice? In the meantime I might say that representations have been made to the Minister of Labour with regard to the subject matter of the question and that the matter is being fully gone into. A definite reply will probably be made in the course of the next few days.

NATIONAL DEFENCE

APPOINTMENT OF COMMANDER OF NO. 6 MILITIA GROUP

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I wish to direct a question to the parliamentary assistant to the Minister of National Defence. Has the new appointment of commander of No. 6 militia group been made? If not, when may we expect this appointment?

Mr. P. T. Hellyer (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, the appointment has not been made. At the moment the matter is awaiting the approval of the Minister of National Defence (Mr. Campney).

Mr. Bell: I should like to ask a supplementary question. When the new appointment is made, will consideration be given to maintaining the same rank that is now called for in the establishment?

Mr. Hellyer: Mr. Speaker, full and careful consideration will be given to all the factors involved.

ADMINISTRATION OF JUSTICE

ALLEGED ILLEGAL GAMBLING ACTIVITIES IN ONTARIO

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Justice in view of the report on the front page of this morning's *Globe and Mail* to the effect that certain illegal gambling activities in Ontario are protected by federal charter. Has the minister any comment to make?

Hon. Stuart S. Garson (Minister of Justice): I have not seen the report. If the report is to the effect that these clubs are engaging in illegal activities, I would not think it would make much difference whence they obtained their charter. In any case this would be a matter for consideration by the law enforcement authorities of the province.

TELEVISION

WINNIPEG—REQUEST FOR ESTABLISHMENT OF PRIVATE STATION

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Is the Minister of National Revenue aware of the current demand in the city of Winnipeg for a second television station under private auspices? If so, will the government give consideration to allowing a private station to become established there or will they insist on the maintenance of the current government monopoly?

Hon. J. J. McCann (Minister of National Revenue): I am aware, Mr. Speaker, of a request rather than a demand for a private station in Winnipeg. Of course this involves a matter of government policy, and when there are changes in policy they will be announced.

EXTERNAL AFFAIRS

ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION—ALLEGED OFFER OF ATOMIC MATERIALS BY CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs in connection with the 17-nation organization for European economic co-operation, a meeting of which is now taking place in Paris. Has Canada agreed at this conference to make available to European nations large amounts of atomic raw materials, and what is the basis upon which that offer was made by Mr. Wilgress?

Hon. L. B. Pearson (Secretary of State for External Affairs): A conference is taking place, but I am not aware of any such offer as indicated by my hon. friend. I will look into the matter and see if I can say anything about it tomorrow.

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO SETTING UP OF CANADA COUNCIL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government reconsidered the stand which the Prime Minister announced on January

12 with regard to the establishment of the Canada Council? If not, will the government give further consideration to the establishment of this council at an early date?

Right Hon. L. S. St. Laurent (Prime Minister): The government is giving consideration to that matter, Mr. Speaker.

PIPE LINES

TRANS-CANADA PIPE LINES—EXTENSION OF TIME FOR FINANCING

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Will the Minister of Trade and Commerce state whether the time for the financing of Trans-Canada Pipe Lines has been extended, and if so by whom?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I understand the province of Alberta has extended the time under the export permit issued to Trans-Canada by that province. I know of no other extension.

TRADE

INQUIRY AS TO NEGOTIATIONS CURRENTLY PENDING

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce if there are any trade negotiations, that is negotiations looking toward trade treaties, under way with any nation at the present time apart from GATT?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, there is the international wheat agreement, of course. That is under negotiation but I know of no other negotiations.

ATOMIC ENERGY

SPECIAL COMMITTEE TO EXAMINE INTO ROLE OF GOVERNMENT IN NON-MILITARY RESEARCH

The house resumed, from Friday, February 24, consideration of the motion of Mr. Howe (Port Arthur):

That a special committee be appointed to examine into the role of government in the field of non-military research in Canada, including:

(a) operations in the field of atomic energy,

(b) operations of the national research council.

That the committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to day as may be ordered by the committee and to report from time to time; and that notwithstanding standing order No. 67 the committee shall consist of 20 members.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): The purpose of this resolution is disclosed by its terms as they appear on the order paper. It is to set up a special committee of this house to consider the role of the federal government in non-military research in Canada. In making this study the committee is expected to review the operations of Atomic Energy of Canada Limited and of the national research council, and to consider also research in its general aspects.

In previous sessions committees of a similar nature were set up. The first was in 1949, and that committee was known as the committee on atomic energy. In 1950 we established a sessional committee on the operations of the national research council.

In 1953 we had a second committee on atomic energy. All of these committees, Mr. Speaker, did valuable work. However, during the last several years considerable changes have occurred in the organization of the atomic energy project and in its relations to the national research council. Further study by a committee of this house of the activities of the government in both these fields seems to be appropriate at this session. The operations of Atomic Energy of Canada Limited and of research laboratories are quite complicated, and a committee of this house gives the members an opportunity to appreciate the problems involved and to obtain much more detailed information on these matters than would otherwise be possible.

There is no question that after the previous committees had met the members of this house had a much better appreciation of what was involved. It is also true that the last five years have brought about an increasing interest in research on the part of hon. members. This has been indicated by a wider variety of questions asked and in particular by the interest in the debate two years ago on the amendments to the national Research Council Act. At that time the Minister of Trade and Commerce (Mr. Howe) made a full statement about the operations of the national research council, and accordingly I do not propose to go into any detail today. I would, however, like to point out certain changes which have occurred in the administration and operation of the national research council and in general government support of academic and industrial research.

Mr. Speaker: Order. Might I make a suggestion to the hon. member? There is a microphone a little further away from him. Would it be possible for him to take the place that the hon. member has just vacated, because it is very difficult for hon. members to hear the statement that he is now making. I think the house will appreciate the co-operation of the hon. gentleman.

Mr. Dickey: The major changes which have occurred in the organization since 1950 are, first the setting up of Atomic Energy of

Canada Limited as a crown company in 1952 and the transfer to it from the national research council of responsibility for work on atomic energy. The company has now been in existence for four years, and our experience shows that the new arrangement has been entirely successful. In addition, the fact that the president of Atomic Energy of Canada Limited is also the president—

Mr. Nicholson: Mr. Speaker, on a point of order, the hon. member is speaking louder but there is a good deal of talking in his general area. This important statement the hon. member is making should be appreciated by all if hon. members around him would speak a little more softly.

Mr. Hees: If he would hold the speech up a little and speak out.

Mr. Dickey: The president of Atomic Energy of Canada Limited is also the president of Eldorado Mining and Refining Limited, and this has meant a consolidation of activities connected with atomic energy, including both research in the atomic field and the production of uranium.

In spite of the necessity of separating Atomic Energy of Canada Limited from the national research council, co-operation between those two bodies has remained extremely close.

The other main change since 1950 has been the completion of several buildings and division of the national research council which were under way at the time of the first committee. The maritime regional laboratory, which was under construction then, is now in full operation.

The division of building research has now a building of its own and has been expanded to something like full size. The division of radio and electrical engineering is now housed in its own building on the Montreal road and the division of applied chemistry has been expanded and also now has its own building.

As far as research in general is concerned, there has been a very considerable increase in activity and interest in the last five years. With reference to government research, I shall not enlarge on the position since it was dealt with during the past two sessions of parliament, except to say that at the present time $70 million per annum is being spent by the federal government on research. I think that one can say with justice that the per capita expenditure on government research in Canada of a nonmilitary nature is now on a level where it compares favourably with any country in the world.

Further, I think that one can well be proud of the quality of the work which is being done in various government organizations. A considerable expansion has also taken place in government support to university research. As far as the national research council is concerned, this increase has been a dramatic one, the amount rising from a few thousand dollars at the end of the first war to something like $2½ million today. In particular university support by the national research council has multiplied by a factor of about five since the end of the second war. There is no question that support from the national research council over the years has been a major factor in the development of university research in Canada.

I should also like to say something about industrial research in which there has been an increasing interest and activity over the past few years. We are at a stage in this country in our industrial development where we must to a greater and greater extent think for ourselves along technical lines. There is a very satisfactory trend in this direction which must be continued. The only way, however, in which industrial research can really develop is on the basis of appreciation by industry that it is necessary. All that the government can do in this regard is to make tax concessions to try to take care through government laboratories of the smaller industries and to help the larger industries in the transition period before they get their own research going, to advise and encourage and to set the example by operating first-rate laboratories itself.

I believe that the Canadian picture in industrial research is encouraging. We have developed research in the federal government to a stage where we can be thoroughly proud of the results. Most provincial governments have also become interested in research with a provincial outlook. Our industries are becoming research conscious and we are giving them every possible encouragement from the point of view of taxation. All in all, I think we are on the right track and the future of Canadian research should be a bright one. However, since we are in a transition period it appears to be an excellent time for a committee of this house to look into the whole question of the status of Canadian governmental research.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in opening my remarks I should like to reread the terms of the resolution which are as follows:

> That a special committee be appointed to examine into the role of government in the field of non-military research in Canada, including:
> (a) operations in the field of atomic energy,
> (b) operations of the national research council.
> That the committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to day as may be ordered

by the committee and to report from time to time; and that notwithstanding standing order No. 67 the committee shall consist of twenty members.

There are some features of that resolution which I think deserve further consideration. One is that in effect it calls for two inquiries, one into the field of atomic energy and the other into the operations of the national research council. The official opposition support the idea of having these two fields investigated, but we believe it would have been wiser to have separate committees. After all there is a great deal to be considered in each of the fields and during the discussion of this question last session the Minister of Trade and Commerce stated that he believed that there should be two committees rather than one.

Mr. Howe (Port Arthur): Oh, no. Can my hon. friend quote me on that?

Mr. Green: Yes, certainly. At page 6215 of *Hansard* for July 15, 1955, the Minister of Trade and Commerce is reported as follows:

Next year we shall be very glad to consider it.

There had been discussion about a committee.

I think it is better to have a committee on atomic energy. I believe it is a big enough field. If other committees in the fields of science are needed, perhaps they could be separate committees.

A second feature of this motion is that it takes out of the scope of the committee the field of military research. I believe the government was correct in not asking this committee to investigate that field, but I suggest that the field of military research is one in which an investigation might save the country a great deal of money. At the present time large sums of money are being spent in this field and there is an increase in the estimates for the current year. Yet parliament has practically no way of checking these particular expenditures.

The other features of this motion to which I should like to refer is that there is severe restriction upon the powers of the committee in that it will not be allowed to send for persons and papers. If hon. members will look at the order paper they will see that Item No. 9 is a motion to set up a committee to consider the work of the federal district commission and that committee is to have the power to send for persons and papers. Item No. 13 covers a motion to set up a committee to consider certain aspects of the criminal law of Canada, which committee is also to be given the power to send for persons and papers. The last item on the order paper is a motion to set up a committee on the Canadian National Railways and Trans-Canada Air Lines. That committee also is given the power to send for persons, papers and records. We believe that the committee on atomic energy and research should be given the same powers. It is my purpose before I sit down to move an amendment to that effect. I hope the government will consider such amendment on its merits.

We believe that this committee is a very important one. In earlier years when there has been a committee on atomic energy the members have acted in a responsible and conscientious way, and I am sure they will do the same thing this year. I know that the Minister of Trade and Commerce would agree with those remarks. I do not believe there has ever been a better committee of the house than the committees that have been set up to consider the question of atomic energy and the operations of the national research council.

Today I propose to deal only with the atomic energy field. The other field, namely, the operations of the national research council, will be dealt with in the first place by my colleague, the hon. member for Lambton West (Mr. Murphy). In so far as the atomic energy field is concerned, we are not satisfied with the position of parliament. It is quite significant that in making the opening speech in this debate today the parliamentary assistant barely mentioned the atomic energy field. Most of his remarks had to do with the national research council. I do not intend to belittle the work of that council because we have great admiration for the work it has done. I simply point out that the government itself in its opening statement today has given the house practically no information with regard to the atomic energy field. That indicates very clearly the point I wish to make, that we do not believe parliament is in its proper position with regard to the atomic energy field.

In the first place, there is almost a complete lack of information given to the house about what is happening in this particular field. It is true that each year certain estimates are passed which deal with atomic energy activities but the questioning during the discussion of those estimates is of necessity of a very desultory nature. It is quite impossible to gather much information in that way, and parliament, and beyond parliament, the people, have been getting very little information about what is going on in Canada in this field.

On two occasions there has been a special committee of the house on atomic energy, the first being in 1949. It was only set up after years of pleading by members of all three

opposition parties. The original Atomic Energy Control Act was passed in 1946 and at that time, leading off for the Conservative party, I urged as earnestly as I could that there should be a committee of the house on atomic energy. That request was not granted. Finally, three years later in 1949 the first special committee was set up.

That committee found that the field was so wide and so important that it recommended that a committee be se up in the following year. I have here the recommendation of the 1949 committee which is as follows:

> Your committee has been in existence for only six weeks and in that time has been unable to complete its examination into the field of atomic energy development. Furthermore, this field is a new one, is widening rapidly, and may well be of tremendous importance to Canada. For these reasons your committee recommends that a special committee be reconstituted next session.

The recommendation made by the 1949 committee is still a valid and sound recommendation because as we know the field has been widening steadily in the meantime and much more rapidly than anyone expected in 1949. However, the government would not set up a committee again in 1950 and we did not succeed in getting the second committee until the year 1953.

I believe that what is needed is a standing committee of the house on atomic energy. As things are at present, the Minister of Trade and Commerce alone knows what is going on in this field. His parliamentary assistant may have some information. The hon. member for Ottawa West (Mr. McIlraith), who was chairman of the special committee in 1949 and also in 1953, I believe, may have some knowledge. But essentially the only member of the parliament of Canada today who has any detailed knowledge of the atomic energy field is the Minister of Trade and Commerce himself. I make no comments today about its being that particular minister but I think this is an unsound situation to exist in the parliament of Canada.

This field is much too important to have the detailed knowledge concerning it possessed by only one person. The United States has gone at this particular problem of keeping the elected bodies in touch with the atomic energy field in a different way. I realize that their governmental system differs greatly from our own, but in this particular respect I think we could very well copy at least a portion of the organization they have set up. They have three watchdog committees over atomic energy. One is made up of defence people, a second of scientists appointed from all over the United States, and the third is the congressional committee, a joint committee which is really the congressional watchdog committee on atomic energy. Their job is to make continual studies of the development of atomic energy and to keep congress fully acquainted with such developments.

I understand they actually have a permanent staff, and right from the start they have been in very close touch with what has gone on in the United States in the atomic energy field. I see no reason why, under our parliamentary system, we should not have a standing committee on atomic energy. I admit that the problem is a difficult one. I am not trying to be partisan at all in these remarks. I admit it is a difficult problem to meet, but I believe that one of the best ways of keeping the membership of the House of Commons informed on what is happening in this field and also of keeping Canadian newspapers and the Canadian people informed would be by having a standing committee.

At one time we met the explanation or the excuse that there was so much secret information in the atomic energy field that it would not be possible to have any such committee. I have here a statement made by the classification officer of Atomic Energy of Canada Limited since this house has been sitting. I am quoting from a dispatch from Chalk River on January 31, 1956, by John Bird. It is a Canadian Press dispatch. In it we find these statements:

> Officials of A.E.C. were emphatic in saying that all the atomic information necessary for development work on power stations is available to private industry. Statements to the effect that secrecy considerations impeded the release of such information were termed incorrect.
>
> "There is a mistaken impression that atomic energy for peaceful uses still is hush-hush," said Dr. G. O. Baines, classification officer for A.E.C. "Very little now is secret at Chalk River and other atomic plants not engaged in weapon production."

I believe that industry in Canada now knows far more about the atomic energy field than do members of parliament themselves. Mr. Speaker, parliament simply must be brought into this picture, for several reasons. One is this. It is a new field. This atomic energy field is the most important new field in Canada in the lifetime of any member of this house. There has never been a more important field opened up in the lifetime of anyone in this house today. It is a most important field in war. By reason of the development of atomic energy we were able to win the war in the Pacific in short order. By the same token we might very well have lost the war just as rapidly if the Germans had achieved this development before the allies. It is a most important field in peacetime as well. New questions are raised. There is need for new policies; and the responsibility for those new policies, in the final analysis, is not on the government of

Canada but on the parliament of Canada. How can the parliament of Canada accept that responsibility if it is not informed of what is going on in this field? I point out to the Prime Minister (Mr. St. Laurent) that the government must be extremely careful to keep parliament informed of the developments in this field.

Another reason is this. Now that power is being produced from atomic energy, where and how is it to be used? That is one of the problems that should be faced by this parliament. Last summer there was a conference at Geneva. It was the first international conference on the peaceful uses of atomic energy. Canada was represented and the members of parliament of Canada, by reading the newspapers, learned what the Canadian officials had to say about this field. I have here a dispatch from Geneva dated August 8, 1955. This was all information that could have been given to the parliament of Canada last session. There should have been discussion about the matter here on the floor of the house. I am quoting from a report of a paper read by Dr. John Davis of the minister's own department. By the way, I believe that Dr. Davis is one of the outstanding men in the service of this country today. This report states as follows:

He said—

That is referring to Dr. Davis.

—as many as ten atomic power stations each capable of generating up to 100,000 kilowatts of electric energy, may be required in Canada in the late 1960's or early 1970's.

Dr. Davis told the conference the majority of the plants probably will be located in southern Ontario.

This is important information to people from all over Canada.

Others may be needed in the maritimes and possibly in southern Manitoba.

Dr. Davis also said a larger number of nuclear power plants with a generating capacity of from 2,000 to 3,000 kilowatts could make a more modest contribution to Canada's energy requirements.

They would likely be required in the north country and by industries such as pulp and paper which could use both the power and the by-product heat.

Then there were further reports of the statements made by Canadians at Geneva. I have here another dispatch two days later, on August 10, 1955, in which we find this statement:

The Canadian paper—

That is the official government paper, presumably.

—said that between 1960 and 1970, an increasing number of thermal plants under construction in Canada will be of the nuclear variety.

It said a ratio of one to one in the construction of new nuclear and other thermal plants at that period "would mark the beginning of an entirely new era—that of the emergence of atomic power as a major, if not the major, source of electricity in Canada."

It is obvious that this atomic power is mobile. It can be carried to different parts of the country. Again, since this house has been in session, we have had a dispatch indicating that atomic power will probably be used at a power station on an Arctic island to generate power for signals between the northern radar chains. Just about ten days ago Mr. W. J. Bennett, the president of Atomic Energy of Canada Limited, was quoted as follows:

Mr. Bennett said that Chalk River scientists are considering design studies for a small reactor which would supply power and space heating in remote areas of northern Canada where the cost of conventional thermal fuels is excessive.

Development of such a reactor would make possible a vast reduction in northern costs. Fuel now is transported to outposts at a cost ranging to $100 a ton. With adequate heating supplies vegetables now imported at great expense could be grown in glass houses far within the Arctic circle.

Northern Affairs officials look forward to construction in such small reactors as a major contribution to the extension of the boundaries of settlement.

Then another reason that this field is of such great importance is this. A large segment of the mining industry of Canada is now directly involved in the atomic energy field. I refer to the mining of uranium ore. Fortunately Canada has large uranium ore resources. We are one of the most fortunate nations in the world in that regard. That is one reason why we should always be in the forefront in this particular field. But the mining of uranium ore is not like the mining of lead and zinc ore in my old home district of Kootenay in British Columbia or in the other mining districts of Canada. While the mining of those ores is under provincial control, the mining of uranium ore is under the control of the dominion.

It is under drastic federal control exercised I believe through a crown company, Eldorado Mining and Refining Limited. There are regulations for the mining of this ore. It can only be sold to that crown company. A smelter cannot buy uranium ore without the consent of Eldorado. Furthermore, Eldorado is the sole processor in Canada of uranium ore. This field of mining uranium has expanded in a tremendous way. I have here the latest report of the atomic energy control board of Canada for the fiscal year 1954-55. We find on page 9, under the heading "Prospecting and Mining", the following:

Several events combined to make the year under review very significant for uranium mining. Production was larger than in any previous year because it was the first in which the plant of

Eldorado Mining and Refining Limited at Beaverlodge in northern Saskatchewan was in operation for a full year. Also, for the first time, production at this plant was augmented by ore shipped to it from private properties in the district. In addition, contracts for large production from one property in Saskatchewan, and three in the Blind River district of Ontario were negotiated and production from these is expected to begin shortly. The scale of these operations is indicated by the fact that the purchase price of concentrates to be delivered under these contracts totals over $338 million. Promising results were obtained at several other properties in fairly advanced stages of exploration.

This report is over a year old and I have no doubt that the situation is even better at the present time. The report also has this to say:

Prospectors were active in almost all provinces and territories and more persons were searching for uranium than for any other metal, and many new discoveries were reported.

Then there is a report dated October 27, 1955, in which Mr. Bennett is quoted as predicting that Canada would be producing $180 million worth of uranium in 1958, making it the third ranking metal in gross dollar value in the Canadian production picture. As I pointed out, here is a mining field in which the dominion government is supreme and members of parliament should know all about the uranium policy of this government. Having been given that knowledge, they should be in a position to make suggestions as to ways in which that policy could be improved. I need only point out the great confusion that last year followed upon certain statements by the Minister of Trade and Commerce, then by the Prime Minister, and then again by the Minister of Trade and Commerce with regard to the uranium policy of this government.

Another reason why this is of such importance to parliament is that the development of the Northwest Territories is involved. It was in that area, at Great Bear lake, that the first mine was developed, and Eldorado, through its subsidiary known as Northern Transportation Company Limited, has a very important part in the opening up of northern Canada. We have had some rather bitter complaints from residents of the Northwest Territories about the rates charged by this crown company in northern transportation. I have here a dispatch dated November 27, 1955, reporting representations made before the Gordon economic commission concerning what were alleged to be these outrageous charges levied by this crown company for transportation in the north.

The report says:

Spokesmen for one community—the famed gold-mining town of Yellowknife—charged that the federal air transport policy is bankrupt and that a federal crown company operating in the north is making fantastic profits on water shipping.

The article goes on:

But all agreed that the most urgent need is for more transportation facilities and a reduction of high shipping charges.

. . . While discussion centred on the rail line, Yellowknife emphasized that much could be done to reduce shipping tolls by reassessing federal policy.

A federal crown company, Northern Transportation, was making exorbitant profits—about 350 per cent on the federal investment—in water shipments on the Great Slave lake and Mackenzie river routes.

"It is hard to believe," said Yellowknife's spokesmen, "that the federal cabinet is aware of the exorbitant profits which its own company is extracting from the relatively few people who live in the Mackenzie river area. We do not believe that the people of Canada as a whole would condone this exploitation.

Now, that statement may have been exaggerated, but in any event this question of transportation in northern Canada is under the control of a crown corporation operating in this atomic energy field, and that particular question should also be very carefully investigated by the parliament of Canada.

Another reason in support of my submission that parliament should be put much more fully into this picture is the amount of money that is involved. This atomic energy development in Canada has already taken a great many millions of dollars of the taxpayers money, and it is taking more every year. Parliament votes the money and should know all the facts before this money is voted. I believe that in the last four years parliament has voted something like $120 million for this purpose. The votes for this year, as I estimate them, aggregate something over $36 million.

Last year the Minister of Trade and Commerce under questioning about the expenditures told me, as reported at page 6215 of *Hansard* for July 15, 1955, the figure for this current fiscal year 1956-57 would be $34,066,000. As I say, the estimate now introduced is at least $2 million higher and no doubt there will be supplementary estimates. He said:

It goes down. This is a big year; $34,006,000 next year; 1957, $31 million;—

I am not sure from the figures whether the minister was referring to last year or this coming fiscal year. I took it originally he had in mind that the expenditure for 1956-57 would be $31 million, but no matter which of these figures is correct the expenditures are very heavy. Parliament has a responsibility to examine much more fully than it has done in the past into these figures. We should have an effective check on the expenditure, and there is no such check at the present time. Take, for example, the new

N.R.U. reactor. When the announcement was first made that it was to be built we were told the cost would be $30 million. Last year the minister said at page 6155 of *Hansard* that the cost would be between $35 and $40 million. This year we read in the papers that the cost is now up to $50 million. I hold in my hand a dispatch from the Vancouver *Sun* dated December 8, 1955, which says:

> Atomic pile cost now $50 million
> Chalk River, Ontario.
> Cost of the N.R.U. atomic energy reactor has been boosted a second time by $10 million.

Whether those figures are accurate is beside the point. The fact is, the reactor is going to cost many millions of dollars more than parliament was told it would cost in the beginning.

Another reason why parliament should go much more fully into this field is in connection with what is happening today. Today in Paris the nations are meeting to set up what is known as the international atomic energy agency.

Mr. Martin: In Washington.

Mr. Green: The dispatch is from Paris. Am I correct in saying Paris, or is it Washington?

Mr. Howe (Port Arthur): I understand there are two. One is meeting in Washington, and another, made up of a group of European nations, is meeting in Paris. I think that is the situation.

Mr. Green: Just last week President Eisenhower signed an order committing 85,000 pounds of uranium 235 to peaceful purposes over the next forty years, thereby clearing the way for huge financing operations to build nuclear power plants in those parts of the world that are not able to build them themselves. The reports indicate that at least $1 billion worth of nuclear fuel would be available for sale or release to private power stations during that period.

Canada from the start has been one of the nations in the lead in the atomic energy field. I think it is very praiseworthy that we are helping to establish this international agency. The purpose, of course, is to spread peaceful atomic knowledge as widely as possible in the world and to work out the allocation of reactors and atomic fuel for the nations that are not fortunate enough to be able to develop these particular things themselves. Here again Canada is stepping into this broader aspect of the atomic energy field and parliament should have a chance to keep informed at all times about those developments.

For the reasons I have outlined, Mr. Speaker, the official opposition urge that this committee, which is to be set up this year, be given very wide powers and great latitude. The members of the committee should be taken to Chalk River, and also be given the opportunity to visit Beaverlodge in northern Saskatchewan and the refinery at Port Hope. They should inquire into the activities of all governmental agencies, the atomic energy control board, Atomic Energy of Canada Limited, Eldorado Mining and Refining Limited, and Northern Transportation Company Limited. In addition, they should be given a thorough explanation of the government's uranium policy and be put in a position where they can make recommendations which would lead to the promotion and the better control of the mining of uranium in Canada.

Then, another very important question which they should be allowed to consider is the extent to which Canada can stand on her own feet in this field. I pointed out earlier that we have the uranium and that we started out with the leading nations, United States and Great Britain. It does seem of great importance that we be able to stand on our own feet. For example, we are not yet able to process fully our own uranium ore. I hold in my hand the report of Eldorado Mining and Refining Limited for the calendar year 1954. On page 7 I find:

> As indicated in previous reports, the operation of the new refining circuit will permit the company to produce a purified or metal grade product.

They are referring, of course, to the Port Hope plant. I continue:

> This is an essential step towards the production of uranium metal in Canada.

Last year Mr. Bennett said he anticipated that Canada might soon be in a position to carry out all three stages of uranium processing at its Port Hope plant, thus ending the necessity of exporting it to the United States to finish the product for use in our own reactors. In the press this week I find a warning given in Vancouver by Professor G. M. Volkoff of the University of British Columbia that Canada could find herself buying back her own uranium in the future in the form of complete power units manufactured in England or in the United States. He was speaking to a natural resources conference in Vancouver and he said:

> Now is the time for Canada to manufacture and export complete nuclear power plants to the rest of power-hungry world.

We cannot be too careful to adopt policies in this country which will enable us to process our own raw materials in Canada to the greatest extent possible. I hope that in this atomic energy field we are not going to get in the same position we are in in some of the

others, such as the iron ore field and others I could mention, under which we dig out the ore and let it go to the United States and buy back the finished product which has been made by the people of the United States.

Another aspect of this question where we think Canada should stand on her own feet in this field is in the production of heavy water. All of our atomic energy reactors at Chalk River use heavy water as a moderator. I have been a member of the two atomic energy committees which have been set up. I visited Chalk River on each occasion, and I call on the other members who served on that committee to endorse my statement that we were told on each occasion the heavy water for Chalk River was produced at Trail, British Columbia. We were told that the plant had been installed by the United States atomic energy commission. There was not any doubt of that; but we were told that the heavy water came from Trail. That statement has been made time and again in the intervening years. I have four or five press dispatches confirming it. One appeared in the Ottawa *Journal* of May 19, 1954, which reads:

> Since Canada entered the atomic energy field her experience has been with experimental reactors partly controlled or moderated with heavy water produced at the Trail, British Columbia, smelter plant.

The next dispatch is dated January 25, 1955, and it appears in the *Journal* again. It reported a speech by Mr. Bennett. It refers to the new reactor, and reads as follows:

> The experimental reactor would use heavy water, produced at Trail, British Columbia, as a moderator or control agent and possibly also to cool the plant.

A press dispatch dated April 27, 1955, which also appeared in the *Journal*, reads in part as follows:

> Heavy water, produced at Trail, B.C., smelter now costs between $720,000 and $1,200,000 a ton. This must be cut because the demand by 1970 is expected to be several hundred tons a year. Methods also must be found to speed output, now about six tons a year from Trail.

An article appeared in the Vancouver *Province* dated December 9, 1955, written by John E. Bird, reporting on the NRU reactor, which reads in part as follows:

> N.R.U. will use heavy water to moderate or slow down the activity of the reactor and to keep it from generating too much heat and melting the fuel rods.
>
> . . . Heavy water is produced by a highly-technical electrolytic process at the smelter plant at Trail, B.C., at a cost of about $60 a pound. N.R.U. will contain 43 tons valued at more than $5,000,000.

[Mr. Green.]

I also have here a report entitled "Canada's Atomic Energy Project" issued under the minister's own name in March 1953. We find at page 326 a description of the early difficulties in setting up the atomic energy plant. It says:

> . . . but of greater importance to the Montreal laboratory was its dependence at that time—

These are the significant words:

> —on the United States for the manufacture of heavy water and the reduction of Canadian uranium to the form of metal.

Yet this year when dispatches appeared reporting that the plant at Trail was to be closed down the minister told this house, and I am quoting from page 833 of *Hansard*:

> The government of Canada has never had any interest in the plant nor has it obtained any material from that plant.

I questioned him, pointing out what we had been told when we were serving on the atomic energy committee, and he confirmed his earlier statement. He said, as reported at page 834 of *Hansard*:

> I am surprised that the hon. member has been told that the heavy water at Chalk river came from Trail because it is not to my knowledge that that is the case. We purchase our heavy water from the atomic energy commission of the United States and it is my understanding that it comes from quite a different source.

The point I wish to make is simply that in the first place there should not have been that misunderstanding. Somebody obviously was wrong. I do not know whether the minister was wrong in the statement he made last month or whether the information given to us down through the years was wrong.

Mr. Howe (Port Arthur): Could it not be that the hon. member who is speaking is wrong?

Mr. Green: I admit I can be wrong, just like the minister.

An hon. Member: But not as often.

Mr. Green: He made one statement directly contradictory to the statements that have been made down through the years by other people who are also in a responsible position in the atomic energy field.

Mr. Rowe: You are quoting the minister's own statements.

Mr. Green: Perhaps the minister will be able to explain why there is this difference. I do not, however, wish to deal particularly with the difference in the statements. What I am getting at is the possibility of Canada producing heavy water herself.

We also urge that provision be made for a permanent atomic energy committee of this house and also that every hon. member of

the house should be given the opportunity of visiting the plant at Chalk River. I am sure that suggestion will meet the support of all hon. members who have not yet been there. I think it would be very beneficial to the nation as a whole if all hon. members of parliament who are not to serve on this committee were to be given the chance of going to Chalk River to see what is actually being done there.

In conclusion, Mr. Speaker, I would point out that Canada having been in the forefront in the atomic energy field must stay there. It is a wonderful opportunity for this nation. I believe there has been nothing of more importance in recent times in so far as the development of the nation is concerned. In fact, if there is proper leadership and proper activity in this field it can do a great deal to make Canada one of the greatest nations in the world. But that can only be done, Mr. Speaker, if parliament is kept informed and is kept in this picture. That in effect is the essence of my plea today, that parliament be put right in this picture and be kept in this picture throughout.

I move, seconded by the hon. member for Lambton West (Mr. Murphy):

That the motion be amended by inserting after the word "house" in the sixth line thereof the following:

"to send for persons and unclassified papers and records."

Mr. M. J. Coldwell (Rosetown-Biggar): First of all, Mr. Speaker, I want to say that I think the minister or the government will have to give a very good explanation as to why the authority to send for persons, papers and records was left out. It may be that there are reasons connected with the atomic energy development which require a certain amount of secrecy. That may be a valid reason, but as I say I think a very strong reason will have to be given to the house; otherwise I think the house should vote for the amendment just moved.

I find it difficult to understand why the house has been denied this right when the resolutions for other committees which have been set up contain such a provision. There may be a special reason in this case, but I think we should be told what the reason is if one exists.

I should like to say also that I agree wholly with the hon. member for Vancouver-Quadra (Mr. Green) when he says that parliament should be kept fully informed of all developments in this field. I believe the hon. member made a suggestion that is worthy of consideration when he said that hon. members of parliament might be given the opportunity of going to Chalk River and of seeing what is being done there.

Committee on Atomic Energy

I have served on previous atomic energy committees, and speaking as one who has served on those committees and who has been at Chalk River several times, and who has had the opportunity of meeting the scientists who are working with reactors and in the various laboratories located there, I wish to say that I learned a great deal and I have developed an interest in this field which I might otherwise not have had although right from the day the first atomic scientists' bulletin was issued in the United States I have subscribed to these bulletins and have tried to follow the developments they have outlined as well as I could and the warnings they have given and the uses which they have indicated can be made not only of one product, heat, but of the by-products to be used in medicine and in scientific fields generally.

I said that I had enjoyed the work of the previous committees and found the information useful. I should also like to say how much I was struck with the devotion as well as the ability of the scientists engaged at Chalk River. I was amazed to find how many of them were young. I have forgotten now just how many were under 30, but it was quite a number. I do remember that there was only a mere handful who were over 40 when we went up the first time, and I think when we went up the second time as well.

I was shocked last week to read that Dr. Cipriani had passed away. He was one of the foremost scientists in the world in this field and a more charming personality I have never met. In outlining the work of the atomic energy commission and that of his own particular field of medicine, not only did he give us the information which could be given but he did it in such a manner that we did not forget it. I just want to say that when we go there this time I know we shall miss Dr. Cipriani.

This committee will be dealing also with research. I am not sure that it was wise to put research and atomic energy before the one committee. It is a big field. We may be able to cover it, but having been on committees which have inquired into both atomic energy and research in the past I am of the opinion that two committees might have been advisable.

Now that atomic energy and atomic developments are under a crown company I think it is wise that we should go into the operations of that company. I have a great deal of sympathy for the idea that crown companies should be brought before parliamentary committees, annually if you will but at least periodically, in order that their operations

may be examined into carefully by such committees. I think that that would be a step in the right direction. I know how difficult it is for members of parliament to attend to the business of the house and serve on committees. I do not think you could call every department and every crown company before a special committee to be examined every year, but I think it should be done periodically. We do examine two crown companies each year, Trans-Canada Air Lines Limited and Canadian National Railways, and from time to time we have the Canadian Broadcasting Corporation before a committee of parliament.

It is true that there is a tremendous interest in research. The establishment of the national research council years ago was something that has been of great benefit to our country. There is one criticism, however, I should like to make and that is that much of the result of the research which could be of guidance and indeed of some importance to the consuming public of this country is not made public.

In the United States they have the consumers' association. This began in a small way in one of the universities. They have a large population in the United States and consequently it was quite within the realm of possibility to set up an organization with sufficient funds to do a proper job for the consumer. That is what is being done by the consumers' research association in the United States. I often read the magazine they put out. I call it a magazine although they refer to it as a bulletin. I find therein a great deal of information regarding domestic supplies and other things which one might be inclined to buy from time to time. They make an appraisal of these different items.

I know that work of this description is being carried on to a limited extent by our national research council and the result of that research might be of great benefit to the people of this country who provide the funds for the research council. Those of us who were on the committee several years ago saw the results of investigations which had been made of a widely advertised detergent—I think I mentioned this before in the house—which while it may have washed clothes at the same time it would have destroyed them. Yet the people of this country had no information regarding those experiments carried out in the laboratories of the national research council.

I should like to see the people of Canada reap a direct benefit from research of this description carried on by the national research council. I am not indicating that that is the kind of research which the national research council does in any big way; I think it is more or less of a sideline with them. They have more important fields of research in which to operate. During the last few years we have provided the national research council with more laboratories situated on the Montreal road. I am sure we have all seen the impressive buildings in that area and I have no doubt that as time passes the facilities will be expanded and the national research council will be performing even greater services for our country and for industry than ever before.

I think that this committee will be one of our worthwhile committees and I am glad that my hon. friends have suggested that I be a member of the committee again this year. I am looking forward to participating in its work.

The hon. member for Vancouver-Quadra suggested that the committee might go into military research, on the atomic side and, I believe, on the more general research side as well. I do not know how feasible that would be but I agree with his argument that there is possibly a waste of money which should be looked into and which might result in savings. I am convinced that the Department of National Defence should be examined into most closely by this house. We do not do it. I doubt if there are more than a few hon. members of the house who know what the expenditures of the department are, how they are made and to what extent they can be justified by those who make them.

I have every sympathy with any suggestion that is made for an investigation into the expenditures of the Department of National Defence provided it is made by parliament. I am not impressed with any arguments that it should be made by an outside body. I think the time has come when this house should go into those expenditures and therefore I have a great deal of sympathy with my hon. friend's suggestion with regard to military research.

I do not think I need to say anything more. The hon. member for Vancouver-Quadra covered a great deal of the ground which others might have been inclined to cover, and I am glad that he did. I think the time for appraisal of the work of the atomic energy authority and the national research council will be when the committee makes its report to the House of Commons. We shall then have authentic information before us and be able to speak more intelligently about what is going on in both fields.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we welcome the motion of the right

hon. Minister of Trade and Commerce (Mr. Howe) for the appointment of a special committee to examine into the role of government in the field of military research in Canada, including operations in the field of atomic energy and the operations of the national research council. Not only is the importance of these matters increasing but the necessity of continued and accelerated research in every field of endeavour is in my opinion becoming increasingly more urgent as the days go by. Not only is research essential to the raising of the standards of living and the development of our economy but in many respects it would appear that research is necessary for our very survival itself.

I listened with interest to the speech of the hon. member for Vancouver-Quadra (Mr. Green). With respect to the atomic aspect of this motion, he stated that we as members of the House of Commons have very little information regarding the operations of Atomic Energy of Canada Limited and developments in the field of atomic energy. As I listened to the hon. member I thought he had gleaned considerable information from different sources, and he certainly appeared to speak with some degree of authority on the various aspects of the situation. However, as he has said, I believe there is room for more information to be given to us with respect to the activities of these various corporations and the research that is carried on in connection with them.

With respect to the suggestion that there should be two committees rather than one, I believe it has considerable merit. As we think of the two fields that have been mentioned, it would certainly appear that one committee would not have the time to study and examine their operations fully. Therefore I think the suggestion that there should be two committees is a good one, and as it is a suggestion that has been advanced by the Minister of Trade and Commerce (Mr. Howe) in times past I believe that possibly more consideration could be given to that matter.

The amendment that has been proposed will receive our support because we feel that in the setting up of a committee of this kind there should be avenues open to the members within their terms of reference whereby they can make a detailed study and examination of the entire situation. With regard to the first term of reference that is given for the guidance of the committee, namely, to examine into the role of government in the field of non-military research in Canada including operations in the field of atomic energy, we were of course ushered into the atomic era in 1945 when the impact of atomic power was first demonstrated in the bombing of the cities of Hiroshima and Nagasaki, Japan.

It seems to me a rather sad commentary on human intelligence that what has been called man's greatest achievement is the discovery and utilization of an energy that is capable of blasting man into oblivion. It seems to me that it was as a result of the fear and impetus provided by the prospect of world war that this energy was brought into being at the time that it was. We are living now in a day when this main deterrent to war must be converted to peaceful uses. Rather than being the destroyer of mankind it must be brought to a position where it becomes his servant and is developed in the interests of peace and for creative purposes. On page 8 of the ninth annual report of the atomic energy control board for 1954-55 we read the following:

> During the past year there were developments of great significance in the power reactor program in Canada, notably the decision to design and construct a demonstration power reactor. This decision marked the turning point in the research and development effort which began in 1942. It is the first and an essential step in applying the nuclear information which has been accumulated in the post-war years.

Research in this field as far as possible uses of atomic energy are concerned is more or less in the preliminary stages and we believe that as research continues this tremendous energy and force will be utilized for the benefit of mankind and will take the place of many of the sources of power being utilized at the present time.

I do not propose to say any more about the first part of the motion dealing with atomic energy but I should like to refer to the second part which has to do with the operations of the national research council. I understand that the council has now been functioning for a considerable number of years and has been doing most commendable work in the various fields of investigation. The objectives of the national research council are very broad. They include the ascertaining and tabulation of various agencies in Canada which are carrying on scientific and industrial research, the noting and scheduling of lines of research and investigation that are being carried on, the co-ordinating of these agencies to prevent overlapping and the inducing of co-operation between these various agencies. One of its purposes is to acquaint itself with the problems of technical and scientific research and to apply that knowledge and skill to the solution of the various problems that confront industry. Its purpose as well is to make a scientific study of unused resources, waste and the by-products of farm, forests, fisheries and

industries. It also has the purpose of enlarging the pool of scientific manpower available in these particular fields.

I have already stated that the council has done very commendable work, and I think we would do well to commend them today for the progress that has been made. On page 10 of the 38th annual report of the national research council of Canada for 1954-55 I find the following under the heading "General Statistics":

> The national research council in 1954:
> (i) provided $2·5 millions to support fundamental research in the universities . . .
> (ii) employed 548 scientific staff, 711 technical personnel, 775 general service and administrative staff, and some 100 postdoctorate fellows;
> (iii) operated four laboratory divisions in the sciences; applied biology, pure chemistry, applied chemistry, pure and applied physics; operated three engineering divisions . . .
> (iv) answered technical inquiries from Canadian industries at the rate of 7,500 per year.

Certainly I think that shows a fine picture of the work that is being carried on. We commend the council for their activities and urge them to enlarge the scope of those activities, realizing the importance of their inquiries in all phases of research.

The resolution before us deals with the operations of the national research council. I suppose it takes in as well the various areas of research that are open to it. I realize, of course, that there are those avenues of research which are opened up through secondary industries, on the by-products of gas, oil and coal production. Included in the objectives of the research council we also find research in connection with our forest industries. Certainly this is an extremely wide field for research. Just to give an illustration of this particular field, I should like to refer to an article in the *British Columbia Lumberman* of February, 1956. It is entitled "Better Residue Use, Automation, Said Keys to Lumber Marketability". From this article I should like to read just a brief paragraph:

> Mill residues can be used for hardboard and particle-board production, paper, and paperboard.

Then a little further on it continues as follows:

> Several studies are under way to treat sawdust before its application to overcome the temporary nitrogen depletion induced by the sawdust. This treatment of sawdust would improve its characteristics as a soil conditioner.

This product is extremely important in the field of agriculture.

> If pretreatment can be accomplished at a moderate cost, the potential market is vast.

I also had brought to my attention the research that is being carried on with respect to decadent cedar. This perhaps is of vital interest in the British Columbia economy because I am told that from a point just north of Kamloops up as far as Prince George, and also in the Smithers and Terrace areas and along the coast there are billions of feet of decadent cedar. This constitutes a serious fire hazard and up until recently it has just been looked upon as something to be despised and something that caused a great many problems to the forest service. Research is being carried on into a pressed wood constructed of this decadent material. It has now been tested out. For instance, it was used in the steps of a bunkhouse in a lumber camp. Part of the step was constructed from fir, part from oak and part from decadent cedar pressed wood. After a period of use, with loggers treading on it with their great caulked boots, it was discovered that the fir had fairly well disintegrated, that the oak showed considerable wear but that little impression was made on this board that was made from decadent cedar. It would therefore appear that in this particular field of research alone vast fields are open. In this case I have cited, not only can they clean up the hazard that is caused by this condition but they can also place a valuable product upon the market. Others that have been mentioned in this particular reference to the research council included the fisheries. Possibly we can speak about that matter on the estimates at a later date. But all of these various fields open up tremendous avenues for research and for development. We feel that this is an extremely important aspect of our economy at the present time.

What about the role of government in these particular fields? I believe there is room for participation by various agencies. I think industry can play an important part in these research developments. Certainly it is doing that. A brief presented to the royal commission on forestry by the Canadian Pulp and Paper Association gives an illustration of what industry is prepared to do and is doing in the field of research. At page 29 of this brief we find the following:

> Company research programs
>
> All of the integrated companies of the pulp and paper industry maintain research laboratories and full time crews engaged on various research programs and multiple investigations. In addition, all of these companies contribute considerable sums towards the various fundamental and applied research programs carried out by the Pulp and Paper Research Institute in Montreal. This organization is recognized as one of the world's leading institutions in the realm of cellulose research.
>
> The total expenditure on this research by the above companies to improve technology, quality of product, processing and the practice of forestry, exceeds $850,000 annually. More than 90 research technicians are engaged full time in British Columbia on this work.
>
> The above companies also contribute considerable sums from time to time to the British Columbia research council to aid in the work of various objective programs carried out by the council, as

well as a number of minor items of research and investigation outside the actual operations of the companies.

Industry is not prepared just to sit back and say that it is a government responsibility, that it is a field in which government should carry the load, but certainly is making a worth-while contribution in this field.

Our educational institutions are doing a remarkable work in this connection as well. Some of the provinces at least have set up research councils. I can speak for the province of British Columbia, as I know a little bit more about it than I do of the others. In that province the facilities have been greatly expanded and work is going on at an accelerated speed in the various fields of research in the forestry industry and in others. As I say, industry, our educational institutions and provincial governments are carrying on to the best of their ability. Personally I think that the federal government should accept considerable responsibility in this particular regard, encouraging all the agencies to intensify their studies to the end that our resources be utilized to their fullest possible extent. It would seem to me that they could assist from the technical point of view, the financial point of view and in many other ways as well. This afternoon we welcome the setting up of this committee and hope that its inquiries will stimulate interest in this vital work which is so essential in our modern age.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, in speaking to the amendment which has been proposed and which would provide that this committee may send for persons and papers, I should just like to give a few of the reasons why the government believe that the amendment cannot be accepted.

First, let me say that there has been complaint about the fact that the committee is to investigate both the national research council and the field of atomic energy. Hon. members will recall that last year I placed the same motion on the order paper calling for a committee that would include both. This motion was allowed to stand on the order paper all during the session. Several times I pressed the house leader to call it, and he said the opposition were not willing to have it considered.

Mr. Green: On a question of privilege, Mr. Speaker, when the minister makes a statement like that the only thing I can do is get up and contradict him. He does not know what he is talking about.

Mr. Howe (Port Arthur): Did you ask at any stage of the session that it be brought forward? You and I agreed on the wording of the resolution, but did you at any stage ask that it be brought forward?

Mrs. Fairclough: That is a far cry from saying we did not want it brought forward.

Mr. Howe (Port Arthur): I wanted it brought forward, but the fact is I did not succeed in getting it brought forward. I was told the reason was the opposition did not want it brought forward.

Mr. Green: That statement is not correct. I do not think the minister is very fair or very wise in dragging up now a year later what somebody else told him that somebody else said. I was acting for the opposition in dealing with the house leader and there was not any misunderstanding between us whatever.

Mr. Howe (Port Arthur): I am sure there was not. The result was that the motion was not brought forward.

Mr. Murphy (Lambton West): On the same question, Mr. Speaker, the minister has spoken about the reason for the committee not being set up. As a matter of fact, before Easter I discussed the question with the hon. member who, we expected, would be chairman of the committee. The motion was on the order paper at that time. I indicated to him, and we had previously expressed the same idea, that we wanted witnesses called. Before the Easter adjournment I asked the hon. member, who represents one of the Ottawa ridings, if we could have witnesses called. He said that the proposed resolution did not call for that, but he would try in some way to arrange that witnesses could be called without changing the terms of reference.

Later on, Mr. Speaker, when the expected chairman asked for a list of our witnesses I was the member in my party responsible for giving the hon. member for Vancouver-Quadra a list of some 20 expert witnesses we had prepared. The list included the presidents of some universities, some scientists, representatives from the chemical industry and other scientific bodies, as well as one or two industrialists, a representative of the agriculture industry and from labour. When the government saw that formidable array of witnesses the motion was never called.

Mr. Howe (Port Arthur): I do not wish to make a point of this. I just wish to point out that the resolution was put on the order paper early in the session last year and the motion was never brought forward for the consideration of the house. It has been put on the order paper this year and it is being considered today. I sincerely hope the motion

will be approved and that the committee can undertake its work early in the session. If there is a complaint that it is unreasonable to expect one committee to investigate both branches of science, the committee could easily adjourn part of its work until next session, when it could be reconstituted and complete its work.

The reason the government has not provided for the calling of persons and papers is that this committee is carrying on its investigation in a field in which there are important secrets in the possession of those who would naturally appear before the committee. It has been said that much of the work at Chalk River has been declassified, and that is true. Canada has always taken the view that the work there should be declassified unless there is a very good reason for continuing secrecy. I think a witness to the fact that important secrets are in the possession of the staff at Chalk River is the security provisions that are observed at that place. We spend enormous amounts of money simply to protect the security of Chalk River. We have guards around the property. It is very difficult to get access to the property, except through Ottawa.

Why is secrecy preserved? The reason is that at Chalk River we do a considerable amount of work for the atomic energy commission of the United States having to do with the field of weapons. There is hardly any period when we have not had work of that kind in process at Chalk River. The reason is that the pile there is able to do some work which no other pile can carry out successfully. Then, too, we have almost free access to such information in the non-military field as is acquired by the atomic agency in the United States and also the atomic agency in the United Kingdom. The reason we had that complete access is that Canada has a wonderful record in the field of security. We have never had a serious breach of security from the Chalk River plant, and I think no other country can say as much about its own security.

I believe those who have served on similar committees in the past will know that both at Chalk River and in the research council any person will be produced, provided he is a senior man in the organization. So far as the production of papers is concerned, there are papers the secrecy of which must be guarded. It is much easier to let the senior personnel decide what papers can be produced without a breach of security, rather than to let the committee make that decision. If today this parliament decided that a committee would be appointed with authority to send for papers, I believe the flow of papers to Atomic Energy of Canada Limited would be very sharply curtailed not later than tomorrow. Where there are secret documents in the possession of the organization, to authorize a committee to ask for those secret documents, with authority to demand that they be produced, would be fatal.

If there were any complaints that the right persons were not appearing before the committee, there would be a reason for the amendment before us today. If there were any suggestions that papers which could be properly produced before the committee were not being produced, then there would be a reason for this amendment. I claim that when there are papers that could not possibly be produced to the committee, and when there may be junior personnel in the both organizations unfamiliar with security regulations who might be asked for by the committee and allowed to talk freely in the fields which were their own particular responsibility, you would be creating a very dangerous situation indeed. That is the reason for the government's inability to agree to the amendment that is before us at the moment.

Mr. Trainor: Will the minister permit a question?

Mr. Howe (Port Arthur): Yes.

Mr. Trainor: Does he maintain that all wisdom in the atomic energy field is concentrated in Canada at Chalk River?

Mr. Howe (Port Arthur): No; the difficulty is that all the wisdom in several countries is on file at Chalk River, and much of that wisdom is still under security provisions. It was received under security provisions; and it is the duty of those at Chalk River, if they have material of that type in their possession, not to produce it to a parliamentary committee or to anyone else.

Mr. Trainor: May I ask the minister another question? Would it not be possible for the government to indicate in regard to any request made that the information requested was classified?

Mr. Howe (Port Arthur): That is what we can do at present, but if the committee had the authority to ask for the information, whether classified or not, they could say, "We have authority to have it produced and we want it produced". What would be the position of the government then?

Mr. Trainor: I do not think there is any request or demand for classified information in this amendment.

Mr. Howe (Port Arthur): I agree. In this amendment, of course, you are asking for the authority to demand the production of

classified information. Under the resolution on the order paper you get anything that is not classified simply by asking for it. We claim that the resolution that has been sponsored by the government gives the committee everything that can be produced both in persons and papers.

Mr. Trainor: I do not quite concede the point the minister makes. I think it is still possible for the government to maintain control over classified information and allow the committee to get evidence with regard to unclassified information from people outside of government circles.

Mr. Howe (Port Arthur): Mr. Speaker, as far as persons outside government circles are concerned, the committee is free to call anybody it likes. I am sure they would come before the committee without being sent for.

Mr. Green: Because of the way the resolution is drawn the committee has no power to send for persons.

Mr. Howe (Port Arthur): The committee can invite persons to appear. I know one man who lives in Sarnia who is just burning to appear. He would come without an invitation, and no doubt will. But if it is a matter of sending for persons and papers outside the possession of government departments, and if my hon. friend will amend his amendment to that extent we might consider it.

Mr. Green: To what extent?

Mr. Howe (Port Arthur): To send for persons not employed in the government service and papers not in the possession of any department of government.

Mr. Rowe: What others would you get?

Mr. Howe (Port Arthur): You will get the others, anyway.

Mr. Rowe: You mean daily papers?

Mr. Murphy (Lambton West): May I ask the minister a question? This is very important. Do I understand the minister to say that he would be willing, if the amendment were so altered, to permit the committee to invite persons other than people at Chalk River and at the national research council? Would we be free, if we were members of that committee, to invite scientists and others to give evidence, and to send for papers? I am quite sure there will not be any difference between the minister and any member of that committee respecting classified material, because there never was a member on that committee, and I hope there never will be, who wanted to have classified material.

Mr. Green: May I ask the minister whether it would be satisfactory if the restriction were put in that classified papers could not be seen? I had not the slightest intention of asking for classified papers, and I do not believe any other member of the house would, either. The minister knows very well that the work done by the previous committees indicates very clearly that they have a very deep sense of their responsibilities to the nation.

Mr. Howe (Port Arthur): Permit me to ask my hon. friend this question. Has the experience of earlier committees not convinced him that the officers who appeared before the committee had a very real sense of the importance of the committee, and did they not produce any paper that could properly be produced and brought forward? Have not the members of the government service produced what has been asked for by the committee?

Mr. Green: The committee has not been in a position to ask that people be brought before it. It may not be considered essential at this time that other people should be asked to appear. On previous occasions the committee simply had not the power to ask for anybody or to ask for any record. Government members also compose a majority of the committee. I think they are probably two to one. I do suggest the amendment could be worded in such a way that classified papers could not be sought. Certainly I have no desire at all to have classified papers produced. But we believe the committee should be in the position that as the members proceed with their work, if they think so and so should be called in, perhaps a civilian research man, it can send for him. Even then it would be still within the power of the government majority on that committee to say no, we do not believe that man should be called.

Mr. Stuart (Charlotte): Mr. Speaker, I have been a member of this committee since it was first set up some years ago.

Mr. Knowles: Who has the floor?

Mr. Stuart (Charlotte): I have been at Chalk River and at Deep River on different occasions, and I have sat with the committee in Ottawa at the research council. I would say without any thought of contradiction that the key men in the organization appeared before that committee. They did everything possible to give the committee the information we asked for. To my knowledge there has never been any information we tried to get that was not made available to us, and I for one would want to go on record as being very satisfied with the way in which the scientists and others engaged in research at the national research

council and at Chalk River produced the evidence we asked for, and with the way in which we were received at Chalk River. We were shown all over the entire organization. They were only too glad to furnish information on any questions that we asked.

In so far as classified information is concerned, I agree with the hon. member who has just spoken. No one would expect to see other than unclassified information. I do not believe the committee will have any trouble at all in getting any reasonable information that the organization would have at this time.

Mr. Howe (Port Arthur): Mr. Speaker, we are discussing the amendment, and the amendment would certainly put it within the power of the committee to demand the production of classified information. For that reason the government must oppose it.

As far as the work of the committee is concerned, we are glad to have the committee go into every branch of atomic energy. We hope it will take an interest in Eldorado Mining and Refining. That is a fine operation and covers a broad field. We are very glad to have it explore the relations between Eldorado and the private uranium industry; we are glad to have the work of Northern Transportation explored.

I may say that each year since Northern Transportation has been in operation the rates on the Mackenzie have been reduced, and I rather expect there will be another reduction this year. The reason that has been possible is that the capital of the company has been expanded, the standard of equipment raised and improvements put in for traversing portages. It has been able to maintain a high standard of service and at the same time lower the costs of that service. The work of Northern Transportation Company has extended to the distant early warning line, and there again these might be classified material which cannot be produced; but I think almost any work of the Northern Transportation Company can be investigated by the committee without difficulty.

I would remind hon. members that the rates of Northern Transportation Company are approved by the board of transport commissioners. A hearing before the board of transport commissioners is necessary before there can be a revision of rates in that area. I would also remind hon. members that there are competing services in the area which have a hard time getting along and each time there is a reduction in the rate by Northern Transportation there is a good deal of hardship caused amongst the competitors. However, the committee is free to weigh all those factors, and I would be very interested to see the report of the committee in that connection.

Mention was made of the fact that Canada at the moment does not produce uranium metal. Considerable progress has been made in that direction. We have had no great urge to get on with that phase of manufacturing, for the reason that we were able in the early stages to buy our metal from the United States at prices lower than we could possibly obtain by manufacturing the metal ourselves. That situation is changing, and I think within another 12 months Canada will be manufacturing its own metal.

Mr. Diefenbaker: Would the minister allow a question in that connection? There was a reference in the press yesterday to the fact that Mr. Wilgress, the permanent representative of OEEC in Europe had stated to the representatives of the 16 or 17 nations belonging to that organization—I am not sure what the number is—that Canada would make uranium in raw form available to European countries within that organization. Has there been a change of policy by the government in this regard, or has there been a decision made?

Mr. Howe (Port Arthur): I did not see the statement by Mr. Wilgress, but I assume he said that if the organization then being considered was set up, Canada could make it available—I presume he meant uranium oxide —which is the next stage before the metal. We could do that and would be glad to do that if there were proper international security. Without the security and without international rules it is very difficult to make uranium available to any country except the United States and the United Kingdom. But if proper organizations were formed and proper rules established, it might be possible to make uranium oxide available to other countries.

Mr. Diefenbaker: What is Canada's plan for control?

Mr. Howe (Port Arthur): There is a meeting being held in Washington with a number of nations who are considering what organization under the United Nations will establish the rules of the road. There is another organization meeting under the auspices of NATO in Europe which is also considering the problem. I assume these efforts will be joined in time and eventually we will get international rules which will provide the proper security. We hope so.

Mention was made of heavy water. The heavy water operation at Trail was one of the first established by the United States. Reference was made to the Montreal laboratory which was established in 1942 and disbanded in 1944. I think probably the small

quantities of heavy water which were used in that operation were obtained from Trail. That was one of the very early experimental operations, and I daresay at that time Trail may have been the only source of heavy water.

However, the process for making heavy water has been greatly improved and the cost of heavy water has been substantially lowered. The heavy water we bought for Chalk River was purchased from the atomic energy commission of the United States. It was delivered to Chalk River in trucks direct from south of the border. While I cannot guarantee that some of the heavy water did not come from Trail I would think it highly unlikely, from what I know of the transaction. However, I will be glad if the committee will look into that matter in its sessions this year and if I am wrong I shall be glad to be corrected.

I do not know that anything more needs to be said. The important matter before us today is whether or not the government motion shall be amended. As I say, we feel this particular amendment cannot possibly be accepted, and we trust that a vote can be held shortly.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, like other hon. members who have preceded me in this debate I welcome the setting up of this particular committee. As a matter of fact the resolution itself has a rather familiar ring, because over the last three years, as Your Honour knows, I have had a resolution on the order paper to set up a committee to study ways and means of accelerating research in Canada.

Today there is naturally more interest in research than five years ago or even two years ago. We are in an atomic era, an age of automation, and our emergence into this period has been a long, slow process. The subject of research today is vital not only to this government and to governments on lower levels but to industry, labour and agriculture, and in fact it is of interest to every segment of our economy.

I was interested in what the minister's parliamentary assistant had to say respecting industry. I do not think any hon. member can stand up and say that it is the responsibility of government to do things that industry should do for itself. I do, however, maintain that crown companies, for instance, Polymer, which are under the jurisdiction of the government, could and should give leadership.

Speaking of research, they have given leadership. The report is available to anyone in this house or to anyone in Canada, wherein the president of Polymer said one or two years ago that because of research the operations of the plant had been extremely successful. I was very glad to see that because for a number of years I, like everyone else, was conscious of the necessity of research. If we as a trading nation are going to maintain even the position we hold today it has to be done, I think, by more intensive research and by more money being spent in the field of research. While I did maintain in the past that we should take an occasional look at the tariff structure I have also maintained, as the minister himself said a year ago in discussing this matter, that in many instances industry could cut out frills and reduce costs.

On that very subject, according to authorities which I have read, our country is in the same position as the United States was in 1920 with respect to research. That to me is most lamentable. True enough many of our industries here are branches of industries in the United States or in some other foreign country and have depended too much in the past on the research done in those particular countries. I think we will all agree with that. I should like to point out, however, that industries in this country should become more research conscious. It is true that some of the large industries have constructed laboratories and have hired scientists and technicians but the strange thing to me, and I think all hon. members will find it strange, is that very few of the top scientists in this country are working in industry.

I do not mind making a startling statement when I say, as I suggested a moment ago, that many of our top industries are simply branches operating in Canada, such as the chemical industry and I might mention particularly the oil industry; we know Imperial Oil Limited is a subsidiary of Standard Oil of New Jersey. In recent years they have been spending a great deal more on research than in the past, but they were dependent on the research carried on by the parent company. Here we have a large organization which is not spending in proportion to what another Standard subsidiary is spending, and I refer to Humble Oil Company. I think the statement was made the other day by its president, Mr. Jack White, that they were spending many millions of dollars this year on research. That was an encouraging statement. They are enlarging the laboratory at Sarnia, and will now be more independent of the parent company.

But other oil companies do not have their laboratories in this country. I can think of one company with its refinery not too far from the city hall in Sarnia which depends for its research work upon engineers in New

York. There are other established oil companies in this country which also have their research done by the parent companies. They make no attempt to hire engineers and graduates from our own universities in order to establish research branches which are so important to the success of any company.

Industry in this country must realize that the time has passed when they can depend upon their parent companies for research. If we are going to maintain our position as a trading nation we must take advantage of the knowledge of these engineers and scientists. The companies that do take advantage of this knowledge are the ones that will be successful. I could quote the statements of different companies.

What is alarming to me and I think to every hon. member of the house is that we do not seem to have a co-ordinated research plan in this country like they have in Great Britain. There they have a scientific committee and if I mentioned that one thing without saying anything else this afternoon I think I would be doing a lot to impress my fellow members in this house with the importance of this subject. They have had this committee for years. It sits in the house in London and is composed of members of parliament with a member from each scientific society or association. They have about 175 to 190 members who meet regularly. The chairman is a senior member of the government.

No change was made in this practice even during the time the Labour party was in power. The committee advises all departments of the government on matters with which research is connected. I should like to refer briefly to "This is Britain" a monthly news letter issued by the United Kingdom information office in Ottawa. This particular issue is dated May, 1954, and I quote:

> The parliamentary scientific committee, which has been described by Lord Samuel as "unique in its history and, indeed, unique among the parliaments of the world", recently published its annual report for 1953.

The committee is referred to as one of a number of informal, unofficial, all-party groups which have grown up spontaneously but which had managed to establish itself with more continuity and formality than some of the others. It goes on:

> Membership is open to members of parliament of any party in both the House of Lords and the House of Commons, and also to the nominated representatives of those scientific and technological organizations in the country which, under its constitution, can be affiliated. No organization can be a member of it which is engaged in promoting some scientific process or project for profit or commercial gain.

[Mr. Murphy (Lambton West).]

It states further:

> Membership in 1953 comprised 163 members of parliament and representatives of 85 scientific and technological institutions.

The aims and activities are said to be:

> 1. Provide members of parliament with authoritative scientific information from time to time in connection with debates.
> 2. Bring to the attention of M.P.'s and government departments the results of scientific research and technical development which bear upon questions of current public interest.
> 3. Arrange for suitable action through parliamentary channels whenever necessary to insure that proper regard is had for the scientific point of view.
> 4. Examine all legislation likely to affect the above and take such action as may be suitable.

That is amazing in view of what has taken place in the thinking of many people in this country and in Great Britain with respect to research. I have here a report of one of the Haldane lectures by Sir Henry Tizard dealing with research. This was delivered on May 5 of last year, and the lecturer drew upon his own wide fund of experience in order to discuss some of the problems which exist. He went on to discuss the problems which arise from the intellectual gap between the man trained in science and the man trained in the humanities, and advocated that the majority of future administrators should have a broad scientific education.

I think many will agree that it would be preferable in this atomic age and age of automation if more members of the government were scientifically trained. I am not criticizing the government because of its present set-up, because we who were members of previous atomic energy committees know that never at any time was there any conscious spirit of politics in any of our discussions. The committee members have had a high regard for each other, and I hope that spirit will be maintained. An astounding thing about research in this world is indicated in this lecture, where it states:

> Fifty years ago there was very little conscious effort to enlist the help of science in problems of defence.

In other words, 50 years ago there was very little interest in science or in research. The lecturer went on to say:

> Mr. Harold Cox, a Cambridge mathematician and economist, probably presented a very general view when, after referring to French and German developments, he said: "We shall be far more strengthening our national position by buying the best that foreign inventiveness can give than by making wasteful experiments at our own expense".

The attitude in that regard has changed. In another lecture on the strategy of research delivered on January 12, 1956, we find the following:

> During the past 50 years research has changed from luxury into necessity of existence.

I think it is about time that industry in Canada took upon itself the responsibility of having its research work done in Canada and not by the parent companies regardless of where they may be situated. This scientific committee in Great Britain has been referred to by the leaders of government for the past several years as a body which was mainly responsible for Great Britain being able to get out of the difficult position in which it was after the war and again become a great trading nation. That was not only the opinion of members of the house and of the different governments in Great Britain; it was also the opinion of casual observers outside of Great Britain.

I should like to emphasize that because, after all is said and done, what these experts can say on the subject is much more important to us than what I can contribute. I have a report here from the United States department of commerce dated February, 1952. It is headed, "The Rising Inventive Competition of Great Britain, A Challenge to U.S. Development Engineers and Manufacturers." In the report they have this to say:

> One of the principal instrumentalities in improving their industrial and scientific economic position is their parliamentary and scientific committee, which in itself is an unofficial partnership of members of the houses of lords and of commons on the one hand and members of the national scientific and engineering institutions and of recognized research organizations and bodies on the other.

I am naturally interested, Mr. Speaker, in the amendment moved by the hon. member for Vancouver-Quadra which I seconded, because in my former resolutions I have always asked for witnesses to be called. I do think that if the committee were empowered to call outside witnesses, witnesses other than those in the employ of crown companies, we would get the benefit of their advice, and in my opinion it is vitally important that we should have it.

On the matter of the scientific committee in Great Britain, I recall that a couple of years ago Sir Robert Watson-Watt spoke to a club in Ottawa. He is certainly well known to all members of the government, because he was an adviser to the defence board during the war. At that time he pointed out how important it was to have a scientific committee such as they have in Britain, where complacency has no place.

In the past I have quoted many authorities. I am on record over several years. In fact I am on record to such an extent that one individual, writing in the January issue of a magazine called *Canadian Chemical Processing Outlook,* incorporated a good deal of what I had said and made several suggestions which have been made by me in the house on more than one occasion. I should like to take this opportunity to correct one thing he said. He stated that all members of all the different parties in the house had agreed to a scientific committee. As a matter of fact the matter was never discussed to that extent, and I believe I am the only member in the house who ever suggested it. To that extent, at any rate, he is wrong.

I have said before that we would like to have such witnesses appear before the committee, and I hope that during the dinner hour or later the minister will change his opinion; because if we were able to call such witnesses it would provide the medium for a combined approach, political, educational, industrial and agricultural, to the question of research in Canada and what parliament could or should do to accelerate efforts in this field.

When the minister spoke a few minutes ago he said that one reason we should not call witnesses or send for papers or records was that all the wisdom of several countries is, according to him, on file at Chalk River. I do not know whether or not that is accurate. I have always had the idea that the McCarran act, introduced in the United States because of espionage here during and after the war, was used as the excuse for that nation not to pass on any information to Great Britain and Canada. Whether that legislation is still in effect I do not know, but if it is I wonder whether the minister made his statement more or less off the cuff and it is not actually correct.

As I said earlier, if we have the power to call witnesses we would like to call those I mentioned a while ago. We would like to call those engaged in agricultural and scientific research and the presidents of universities, because our universities are in a desperate situation today. They are called upon to face many problems and their presidents could give us ideas that I think would be important to the members of the committee. In addition, we could hear representatives of agriculture, labour and industry whose contributions I believe would be valuable to the committee.

I say this because, after all is said and done, no civil servant is going to come before any committee and say anything that is contrary to government policy. We would not expect him to do so. But the independent witness is free to come here and give evidence from his own experience that I think would be valuable. As another reason for not calling such witnesses the minister said something about them going to Chalk River. It was never our intention at any

time that these witnesses would go to Chalk River or would see anything of a classified nature in the form of either documents or machinery. While I am sure the committee will serve a most useful purpose, I am satisfied it would be much more effective if we could hear such witnesses.

I should like for a moment to reply to a statement made by the parliamentary assistant in introducing the resolution. He mentioned that Canada spent $70 million last year on research. That is only about $4.50 per capita. I have gone on record before, and the statement has never been challenged, that in the fiscal year 1954-55 the United Kingdom spent $15 per capita and the United States $25 per capita. In the same year the central governments of those countries, the United Kingdom and the United States, spent $11 and $15 per capita respectively. These amounts are far in excess of the per capita spending in this country.

We also have in Canada a problem that has been discussed for ten or eleven days, the disposal of agricultural surpluses. I am one of those who believe that politics will never solve the farm surplus problem. I also believe that if we made better use of our scientific knowledge agriculture probably would not be in the position it is in today. It is a rather strange thing that Holland and Denmark, where agriculture enjoys the highest reputations as a profession, do not have any problem in disposing of their agricultural products. They have adopted scientific methods. In other words, they have successfully adapted industrial methods to farming. There is no such thing as a subsidy for agricultural products in either of those countries.

Of course in this country we find that we have terrific surpluses of agricultural products that are hard to dispose of. I might mention here that two or three years ago the chemurgic industries in the United States acquired and disposed of about $1½ billion worth of surplus farm products which were hard to dispose of, and in fact a good part of them would have become waste if those industries had not acquired them. I think the same thing could be done here if our research were co-ordinated, which it would be if we had the scientific planning to which I referred a while ago.

We have research done by the provinces, by various departments of the federal government and in various universities. But there does not seem to be any planning to get the best out of the research, and to get the most out of the money spent on research.

[Mr. Murphy (Lambton West).]

I believe we must bear in mind that the universities today are facing some difficulty, as I said a while ago.

Something which is important to us in this country is the upsurge of engineering education in Russia. They have already surpassed the western world in the number of engineers they have graduated. It might be easy enough to say yes, they graduate 50 per cent more engineers than do the United States, Britain and Canada, and that would not mean very much because it might be possible that those engineers were not properly trained. But as a matter of fact, we now know that those engineers they graduate in Russia are top trained men. As a matter of fact they were a revelation to our own scientists and to those of the western world who met at Geneva some time last year. We might as well face the problem here, namely that we must give more attention to education in this country.

I think the only way in which we are going to get more students in the universities to take up engineering is to initiate our work in the collegiates, through our teachers and boards, and see that these scholarly students in the higher grades are given an opportunity or are induced, really, to take up engineering as their life work. When they get to university we should probably adopt the same system as they have in Britain, with bursaries. In any event these smart, intelligent students should be encouraged to take up engineering, mathematics and physics in order that they can make in this country the contribution we need from our own people. We must not let these people, after they graduate, go to the United States or any other country. That trend has been going on for far too long. Years ago I said that, in the case of these engineers, the crown companies should give leadership in hiring them and also in the payment of their salaries.

Just the other day, Mr. Speaker, we regretted very much to see in the press a report that 40 or 50 of these young Canadian graduates in engineering left one of our Toronto area airplane factories to join a similar industry in California at a 100 per cent increase in salary. In order to see the demand there is for engineers in that country all you need to do is pick up the Sunday New York *Times*. This country in the past has faced and is going to continue to face the emigration to the United States of our top scientists and graduates in engineering and physics because they are going to pay them 50 to 100 per cent more than we are paying at this time. If we are going to keep them, we must pay them more money.

I will say this. There are in Canada many scientists—we see them at Chalk River—to whom the salary or remuneration is not one of the considerations for staying in Canada. The man to whom the leader of the C.C.F. referred this afternoon is one of them. He was so devoted to his work that it did not make any difference to him whether he had $50 a day or $10 a day. He drove an old 1929 Ford car to go fishing and he was happy in his work.

But the engineers who graduate are not all of that kind. These young people will have families to support, in all probability, after a few years. We must keep them in Canada. We are going to need them. Industry must take the responsibility of hiring these people to do research in this country.

To the crown companies of this country I say, give leadership to the other industries in this country and pay the salaries to which these people are entitled, and thus prevent them from going to the United States or some other country. It has cost the taxpayers of this country no less than $25,000 to educate each of these young men. Let us keep them here. They are an asset to this country. We want them. As this country develops, with all our wealth of natural resources which no other country in the world possesses—they are hardly scratched—these men are as necessary to us as are the minerals that are in those underground deposits.

If it is necessary for this government to make grants for education, let it take the responsibility that is necessary in order to maintain our economic position in the world today. Let the government make these grants. We must have engineers. Somebody might hesitate to take the grants. There is no reason why in some way or other moneys could not be made available to these students. I will say this. Because of the high taxation in this country the revenues of many universities have been drying up. I suggest that donations, up to a reasonable amount, made to universities by people or companies be exempt from income tax. I hope that more will be granted in the future than has been granted in the last few years in order that we may meet the challenge which this country faces.

I am going to say this, Mr. Speaker. This subject reminds me, as I think it does most people, of what the Red Queen said to Alice:

> . . . it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast.

On reading that statement first, as I recall it, I thought there was not much to it. But I think anyone interested in this particular subject will read it a second time.

For three or four minutes of the time at my disposal, Mr. Speaker, I should like to deal with a problem which we faced last fall, in spite of what the hon. member for Vancouver-Quadra said about my dealing with research. I may say that I am going home tonight so I will not be obliged to face his comments. I will not say any more about the matter.

Last fall, Mr. Speaker, I think Canadians not only in Ontario but all across this country were alarmed by the statement made by Mr. R. L. Hearn, the Ontario hydro chairman. I think it was made some time in September or October. He warned the Canadian government, and I know this appeared in the press of Ontario, to broaden its atoms for peace program or miss the boat. To me the statement was most important because, as you know, the Ontario hydro, Atomic Energy of Canada Limited and a certain electrical company—the three of them—are participating in the construction of a plant to produce electricity from nuclear power. He suggested that more industry and utilities participate, and that the shutters of secrecy surrounding most of this country's atomic research should be removed. He went on to say that with the completion of the St. Lawrence hydro project and the additional power from the 50,000 cubic feet per second now being developed above Niagara Falls, Ontario will have used up all its hydro potential.

In Ontario we do not have oil or gas to any extent. Down in my area we have some, but it is not a big factor when compared with the total consumption. In this province we have a great deal of uranium. We do not know—and maybe we shall not know for a century—how much uranium there is in the province of Ontario, let alone in the other provinces of Canada. This resource should be developed. I foresee the time, probably in about 15 years, when we will be able to develop hydro power from atomic energy more cheaply than we are getting it today from water resources.

The president of Atomic Energy of Canada Limited, I think it was sometime in November, said in New York that Canada is considering an exchange of information on the peaceful uses of atomic energy with a number of countries besides the United States and Great Britain. In my opinion the irony of that is that here we were willing to exchange information with the United States and Britain, yet the United States would not give us any information, or very little. As I understand it, she would not even give Great Britain any information regarding how the *Nautilus* was powered by atomic energy, when some people from Great Britain were in the United

States last fall. The president of Atomic Energy says he is going to make this information available to other countries. I assume that is quite all right.

It is unfortunate that the western democracies do not share the information they have on atomic energy and other aspects of this atomic era. It simply means that if the United States is ahead of Britain in one development and will not release the information, Britain will probably get it within a year or two, because there is no such thing as keeping such information very long. The scientists in one country are as good as in another, and they will get the information sooner or later. We all know of instances in which scientists in different countries have come up with the same idea at different times.

It was profoundly disquieting to read that our Soviet rivals had already passed the western world in the industrial application of atomic energy. More important, it is increasingly evident that the Soviet union intends to use the industrial atom as an instrument of foreign policy, along with and perhaps in preference to the military atom. Nations which are poor in natural resources, whose resources are poorly distributed and which are now emotionally and politically unstable, could become our industrial equals and unfriendly competitors through the use of atomic power reactors donated by Soviet Russia. The only way out of the world's political and economic dilemma is to provide the power for agrarian nations to become industrialized, and for partly industrialized nations to industrialize completely.

I think we must now face up to the fact that in the atomic age dollars are no longer power. The prime material power is the absolute power of atomic energy. With the atom, mankind has finally secured a key to power unlimited, and power is the prime mover of industrialization. We must use industrial atomic energy to increase the living standards of the so-called have-not nations. As a back bencher I express the hope, for what it is worth, and I think the hope is shared by many members of this house, that the western democracies today, as they face the challenge of the U.S.S.R. and her satellites, can work together as a team and pool such information as we have been discussing in order to be collectively in a better position to challenge any forces that might be interested in overpowering us.

We have today a resurgence of industry through atomic energy. There is a great deal of interest in different countries in atomic energy today where even a few years ago there was not. As an illustration, France has a department of government to deal with research. As a matter of fact, this year Italy has spent more money on research than any other European country. These smaller countries, Mr. Speaker, like Norway and Denmark, and some of those in western Europe, are spending a great deal more per capita on research than we are. Strange as it may seem, they appear to have recovered economically and are today in a competitive position. If we in this country are to meet foreign competition in foreign markets and in our own markets, we must do so through research.

I am going to say that nature, history and geography have combined to richly endow this country, but prosperity and employment are not ensured simply because those resources lie within our boundaries. They will be ensured only to the extent that we as a people utilize those resources. As I said a moment ago, and I think it is worth emphasizing, today we should be in a position where we process more of these resources instead of buying back the finished products after manufacture in foreign countries.

The papers are filled with articles these days by scientists and industrial leaders speaking of the need for accelerated research and the dangers of our continued dependence on other countries. We knew last year, Mr. Speaker, that Britain, which is foremost in the field of research, had no unemployment. The same situation prevailed in the United States, whereas in this country we had a goodly number. I will not mention the number because I do not want it even suggested I am making political capital out of this sacred subject.

The Acting Speaker (Mr. Applewhaite): I am sorry to interrupt, but I am afraid I must inform the hon. member his 40 minutes have expired.

I shall recognize the hon. member for Nanaimo (Mr. Cameron) in just a moment. First I should like to presume to make a suggestion for the consideration of the house. I am not going to make a ruling, though I and my predecessor in the Chair are a little worried. It is quite obvious that a number of hon. members, knowing this motion was coming up, have prepared material for speeches on various forms of the role of government in the field of non-military research in Canada. At the moment we have not that resolution before us. We have an amendment which we are supposed to be debating which states that there shall be added to the resolution the power of the committee to send for persons, papers and things.

If we are going to stick strictly to the letter of the law of the rules, that is what

we should be debating at the moment. My suggestion would be, if it meets with the approval of the house—and I am not trying to impose my will on the house—that anyone who has a speech to make on the question of whether the committee should have the power to send for persons, papers and things, should do so. Then we should dispose of that amendment one way or the other in order that speeches which may be made on the more general aspects of the role of government in research will be more in order. As I say, I am not proposing to impose this view upon the house. Perhaps in order to find out whether it meets with your approval or not I might at this moment ask, is the house ready for the question on the amendment?

Mr. Green: May I point out that you cannot discuss the amendment apart from the body of the motion. The motion sets out what this committee is to do, and the amendment proposes an alteration in the method by which that work is to be done. I submit that a speech having to do with the general work of the committee is perfectly in order even while the amendment is before Your Honour.

The Acting Speaker (Mr. Applewhaite): I am not arguing that point of view. A great deal of material included in members' speeches might have a bearing on whether or not the committee should have the power to send for persons, papers and things. I did express the view, which I still hold, that a great many of the more general remarks being made on this question of government role in research are not really strictly applicable to the question of whether or not the committee's powers should be extended but is more applicable to whether or not there should be a committee.

However, if it is not the view of the house I have no intention of enforcing that opinion. It may be that on occasions we shall have to ask members not to get too far afield from that aspect of the resolution which has to do with the amendment now proposed.

The hon. member for Nanaimo.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I think what I have to say will come within the ambit of the amendment proposed by the hon. member for Vancouver-Quadra, and support his contention as to the necessity of the committee having power to call before it certain witnesses, witnesses who would not necessarily be available however willing the government might be to provide them from among their own employees. I believe that in considering this question, Mr. Speaker, we have to face the fact that today science has become so specialized that very often the opinions of eminent figures in one branch of science are of little value in considering another aspect of the same question.

The matter I want to discuss this afternoon is one that I have raised before in the house on other occasions, namely the possible genetic effects of our activities in the atomic field. In order to place before the house the serious view that is taken by many eminent scientists with regard to the possibilities of the atomic age, I want to quote from an article by Dr. A. H. Sturtevant, of the California Institute of Technology, who is generally regarded as one of the leading geneticists of the United States. He had this to say on the danger of mutations from high-energy irradiation. He sets forth the facts in this form:

> 1. High-energy irradiation produces mutations.
> 2. The frequency of induced mutations is directly proportional to the dosage of irradiation. There is almost certainly no threshold value below which irradiation is ineffective.

He cites numerous other basic facts with regard to that, and later on he has this to say:

> The "maximum permissible" exposure will become a matter for careful consideration if nuclear reactors come to be widely used as power sources, since under those conditions also there will be an increase in the background radiation. The amount and character of such increases will depend in part on the type of reactors used, and on the details of their design and operation—and it is a matter of public concern that this factor, as well as economic ones, be taken into account in a program for the non-military development of atomic energy.

I suggest this to the house, Mr. Speaker, that a committee that has not the power to call before it competent geneticists as distinguished from physicists to give their opinions to the committee on the possible dangers of an atomic energy program is a committee that is not going to be able to ask the questions that we should be asking very definitely today.

I listened carefully to the minister's reasons for refusing to accept the amendment of the hon. member for Vancouver-Quadra, and I wondered just how it is going to be possible for this committee to do what the resolution suggests it ought to do, namely examine into the non-military operations in the field of atomic energy, if that committee is not going to be able to call before it competent witnesses to give it some idea of the possible results of whatever program may be revealed to us during the sittings of that committee.

In fact, Mr. Speaker, I wondered whether the minister's objections to this amendment were not perhaps based on his reluctance to assume the difficult job of riding herd on the government majority on that committee; because of course it is perfectly obvious that if the government members on the committee

are on their toes then no witnesses, no papers and no records will be asked for that would in any way embarrass the government or endanger the secrecy of classified information. But I do seriously suggest, sir, that we are not going to obtain an effective picture of our atomic energy program unless we have some idea of the possible dangers of that program for peaceful purposes.

I hold in my hand an extract from the *Canadian Chemical Processing* magazine of April of last year which contains an article by Professor James G. Foulkes, M.D., of the University of British Columbia, on the question of the dangers of background irradiation. In this article Dr. Foulkes quotes Dr. H. J. Muller of the United States, another leading United States geneticist, a gentleman who you will recall, Mr. Speaker, was refused permission by the atomic energy commission of the United States to appear before the recent Geneva conference on atomic energy. It was generally supposed at that time that Dr. Muller's evidence as a geneticist would be embarrassing to the United States defence authorities.

Dr. Muller is quoted in this article as saying:

> Despite a number of unfortunate publicized statements by non-geneticists casting doubt on the mutagenic effectiveness of small doses of radiation, the work has gone so far as to make it inconceivable, on physico-chemical grounds, for a single ionization track traversing a cell nucleus to be without its proportionate probability of inducing a gene mutation.

He goes on to say:

> Such considerations have led one scientist to conclude that "the long-range genetic danger of exposure of mankind as a whole to low-level, but widespread and persistent radioactivity, is the most ominous of all the dangers of the atomic age."

I have read the reports published by our government on this matter, reports published by the atomic energy control board of Canada, by Atomic Energy of Canada Limited and by Eldorado Mining and Refining Limited, but I have not found the slightest reference in any of them to any investigations or research in this matter. Apparently we are prepared to go ahead blindly, not to consider the possible genetic results, and hope that the economic benefits may blind us to any possible dangers to the human species. I think, Mr. Speaker, this is a question on which we have to ask some very serious questions, and this committee is not going to be able to ask them if the Minister of Trade and Commerce persists in refusing to allow it to call competent witnesses to give us advice on this matter.

A few weeks ago I had the opportunity to get in contact indirectly with one of the leading geneticists of Great Britain, Professor J. B. S. Haldane. A member of my family is studying biochemistry and genetics under Professor Haldane. In discussing the danger of genetic mutation from both military and non-military uses of atomic energy, Professor Haldane asserted that while he could consider it was not yet probable that the increase in background irradiation was sufficient to cause dangerous mutations, he was very insistent on this point that no one knows. And because no one knows, Professor Haldane has instigated an inquiry and an investigation at the British atomic energy centre at Harwell into the mutation effects on various laboratory animals of exposure to radiation at the level that we can expect with the widespread use of atomic reactors. I would feel much happier in my own mind, Mr. Speaker, if I could see some evidence in Canada of a similar anxiety and care to insure the future of the human species. It may sound laughable, but I say this. There is no one in this chamber, not a single soul, whose opinion is of any value.

Mr. Gillis: And not many outside of it, either.

Mr. Cameron (Nanaimo): There are a few outside, but hon. members of the government and of this house persistently close their ears to the warnings of the few people in the world who know.

I suggest, sir, that such a course can only lead to catastrophe. I would hope that whether or not the government decides that it is going to permit a committee of this house to investigate these activities and call before it competent witnesses, we shall have before long some statement from the government which will indicate that it realizes that the development of atomic power is fraught with very great danger and its operations must be conducted with the utmost care.

I have heard, for instance, no indication from the government nor have I seen in any publication in this country an indication that the serious and difficult problem of the disposal of atom waste has been in any way effectively coped with. It is a problem to which the scientists of Great Britain are giving a great deal of attention at the present moment, and it is a cause of great anxiety to them. We in this country appear to be quite blandly indifferent to the possible problems we are creating. I suggest that while we may revel in the idea of endless power produced for a minimum of expense we should also realize there is only one purpose in producing power in any way at all, and that is to add to the happiness and satisfaction of human beings. But we are not going

to do that if we permit in succeeding generations more and more deleterious mutation. Scientists tell us that the probabilities are that they are nearly all degenerative in nature and cumulative in their effects.

I should like to see this committee set up, and I should like to see this committee have some inclination to reassure us on this point, because this happens to be one of the things which once done can never be undone. Once we have succeeded in creating a level of background irradiation that does carry with it this danger, there is nothing on earth that we can do to reduce that level in the future. It is there for good, or for evil in this case.

I hope the Minister of Trade and Commerce will realize that the people of Canada through the hon. members of this house are entitled to the utmost frankness in the way of disclosures of information about the program that has been undertaken by the government. I hope if he is not going to do that he will then alter this resolution so this committee will not be described as one which is to examine into the operations of the government, because obviously it is not going to be allowed to do this; but it will be described instead as a committee of this house to receive certain information from the government with regard to its atomic energy program.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I am rather in agreement with you that we perhaps should be discussing more particularly at the moment whether or not the amendment should stand, and I am a little hesitant to begin the remarks I intended to make in view of the opinion you expressed a few minutes ago, with which I entirely agree. I wonder if the house at the moment is ready for the question; if so I would then rather talk on the main substance of item No. 15 on the order paper, which is before us.

The Acting Speaker (Mr. Applewhaite): I think perhaps I was the one who initiated this. I might say in view of the opinion held by several hon. members—and perhaps the opinion is held by a large number of hon. members in the house—and in view of the nature of the speeches which have been made since the amendment was moved, I think if the hon. member's speech deals with the role of the government in research he will find himself in no difficulty with the Chair.

Mr. Harrison: Thank you very much, Mr. Speaker. I greatly welcome this committee to inquire into the fields of atomic energy and the national research council. I think the committee will do extremely useful work in disseminating information to the general public about such bodies as the national research council that the public at the present time does not have the advantage of learning.

I think at the moment we should realize why we are faced with the necessity of setting up such a committee. The reason for that, I believe, is quite apparent. The reason is the growth of the uranium industry in Canada during the last three or four years. We might ask, too, why we have had such a growth and how we have developed a uranium industry in such a short period of time. I think it is entirely due to the foresight and optimism of our Minister of Trade and Commerce. We owe a great deal to the minister in this as we do in many other respects.

Because of his foresight I am in a position to say to you now that in my riding we are presently producing about three-quarters of the uranium produced in Canada. This has come about within the last three years, and is entirely the brain child of the Minister of Trade and Commerce. In that regard as in many other matters in which his foresight is apparent in this country, I think he has contributed more to the standard of living of the Canadian people than any other man either living or dead.

I should like to join with those hon. members who a few minutes ago observed that they hoped this committee would be able to look into the operation at Chalk River as has been done before, and also that it might look into the production end of uranium in the Beaverlodge uranium area. I do hope the committee will be able to do this because tremendous strides in production have been made in that area in the last two or three years, and I think it should be looked into.

As I mentioned a moment ago, I think the people of this country are poorly informed concerning what bodies such as the national research council do. This was forcibly brought to my attention last fall when the new mill at the Gunnar uranium mine at Beaverlodge was opened. The Gunnar mine is unique among uranium mines. There is nothing like it in the world and very likely there will not be another mine like it. It is the only open pit uranium mine in existence. As such it is a potentially low-cost operation.

To give hon. members some idea of how it works out, may I say that a charge of 300 pounds of dynamite produces about 15,000 tons of ore. The ore is picked up by 3-yard shovels and dumped into 30-ton Euclid trucks, which then make a quarter mile run to the ball mill. This plant was designed on a test tube basis by a gentleman named Ross in the national research council.

I want to give hon. members some idea of what research can do for industry. Mr. Ross asked that 100 tons of ore from the mine be sent to Ottawa for processing. After a year's research he found that there were four processes which could be made applicable to the ore, and he picked out the acid leach process for the Gunnar mill. He designed the equipment from the test tube investigations and mining men who were present at the opening, such as Jules Timmins and others who had spent their lives in mining, said that it was the first time that they had seen a mill anywhere approach its rated capacity within less than a year or perhaps two years. In this particular instance the mill reached 125 per cent of its capacity within two weeks, something that has never occurred in mining in any place in the world.

That was due entirely to the research done by this Mr. Ross at the national research council in Ottawa. The net result is that you have an operation there that can compare most favourably with operations in other parts of the world. Other operations lose from 5 to 10 per cent of uranium, but this process was 99¼ per cent perfect as far as recovery of uranium from the ore is concerned. It is even better now, and I understand at the present time they get 99¾ per cent recovery.

It will be seen from this what research can contribute to our economy. This mill was designed for 1,250 tons a day, but within two weeks of its opening was handling 1,500 tons of ore a day. This is a different type of operation from the Federal mill at Beaverlodge, only 20 miles north. There they are mining in a conventional manner. They process about 650 tons of ore a day, and it takes nearly twice as many men to do the job as at Gunnar.

When I go into this district I am always asked when the Minister of Trade and Commerce is going to go in there to look at what they consider he is responsible for. They are quite ready to admit that that place would not exist if it had not been for the foresight of the Minister of Trade and Commerce. I hope that when this committee goes to work it will be given an opportunity to go in and look at the mills up there.

I can tell hon. members that at Gunnar they will find a perfect example of automation. There are four chemical processes which are of a split second change nature. The changes from one to the other are all done automatically from a panel. No one is required for the operation of the plant. If there is a breakdown in any part of the process that is indicated on the panel, which also indicates where the trouble is and what has to be done to fix it. Practically all the men are employed in actually getting out the ore and keeping in repair the machines used for drilling and so on. There are two or three supervisors walking around the plant, but they are all you will see.

If this committee goes anywhere I hope it will visit the Beaverlodge area where it can see the Eldorado mill. The Gunnar mill is to be expanded from 1,250 tons to 2,500 tons. The Lorado mill is to be constructed this year with a capacity of some 1,500 tons. This expansion will place Canada in 12 months' time at the very top of the world's uranium producers. If the committee does go there I hope the Minister of Trade and Commerce will go along so that the people up there will be able to congratulate him upon his outstanding foresight, imagination and, something for which he is often criticized, his optimism.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Green: Mr. Speaker, this afternoon there was some discussion about the form of the amendment I had moved, during which a question was raised with respect to whether we were trying to get permission to send for documents which were classified as distinguished from unclassified documents. I think it is common ground that no one in the house has any intention of asking permission to send for classified documents, and in order to clarify that point I would ask the consent of the house to make a change in the amendment so it will read: "to send for persons and unclassified papers and records."

Mr. Speaker: Has the hon. gentleman leave to amend his amendment in the sense he has indicated?

Some hon. Members: Agreed.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I want to take part briefly in the discussion tonight because I feel that we are dealing with one of the most important subjects that could come before the House of Commons. In my opinion the subject of research, as we move into the age of automation, is going to be increasingly important as we attempt to grapple with the industrial changes that will arise and, more important than the industrial implications, the sociological effects that will follow in the wake of the increasing trend toward automation.

In my remarks tonight I am going to concentrate, as has already been emphasized, on

the amendment before the house. The slight modification in form that has just been presented by the hon. member for Vancouver-Quadra makes the task somewhat easier, because it seems to remove the one objection that has been forthcoming from the government side up to the present time concerning an amendment of this kind. I feel it is very important that the committee have the privilege of calling for persons and papers; otherwise the basic purpose of the committee is going to be thwarted.

By very definition the subject of research requires the broadest treatment and access to every available source of information. Because of that it is important that there be no artificial restrictions imposed. As has been pointed out by previous speakers, the resolution as it stands on the order paper is somewhat restricted in nature, in that it confines the discussion to the fields of atomic energy and the operations of the national research council.

I listened carefully to the senior member for Halifax (Mr. Dickey) in his introductory statement, and I noticed that there was some hope for a broadening of the terms of reference when he added to the two main categories an additional broad category in words to this effect, that the committee would consider research in all its general aspects. If his interpretation of the phrase, "consider research in all its general aspects", is similar to mine, then I feel we have a fairly broad approach to the problem of research available to the committee.

I had intended to concentrate on one aspect of the problem, but just before the house rose at six o'clock the hon. member for Nanaimo (Mr. Cameron) introduced a discussion of the probable genetic effects of atomic radiation on human beings. As he indicated, this has been one of the burning issues that have arisen in popular discussion since the advent of the atomic age. The hon. member for Nanaimo suggested that there had not been much formal action taken by way of consideration of the effects on human heredity of atomic radiation.

I should like to add one small piece of information to that which he has already placed before the house. Last fall the subject of the peaceful uses of atomic energy received somewhat prolonged consideration at the general assembly of the United Nations. One of the recurring topics under that general heading that appeared in the committee discussions there was the probable dangers to human heredity from the increasing level of atomic radiation. At the present time some 20 nations are meeting in the United States in an attempt to set up an atomic energy commission which will have as one of its major considerations the gathering and the sharing of information on all aspects of the peaceful uses of atomic energy. This, of course, would include all available information concerning the probable effects on human mutation.

I use the word "probable" advisedly, because actually very little scientific research has taken place concerning this problem. There have been plenty of armchair scientists who have indulged in speculation concerning the facts, but there is very little concrete scientific data. The phrase "armchair scientists" was used, incidentally, by the late Dr. Cipriani, who was Canada's expert on this matter at the last general assembly session of the United Nations, and I join with the hon. member for Rosetown-Biggar (Mr. Coldwell) in regretting sincerely the sudden passing of that eminent physicist.

Dr. Cipriani, who had given some consideration to the problem of the genetic effects of atomic radiation, had come to the conclusion as a result of his investigations that there was no immediate danger. He quoted by way of example some rather interesting experiments that had been taking place in Sweden. Sweden has done some initial experimental work in this regard because it is a small country, and there they can control the data with which they are working. To a large extent the population is homogeneous and occupies a small geographic area. One further factor of importance is that the level of radiation is considerably higher in Sweden than in most other areas.

Some very worth-while work is being done on the effects of atomic radiation on human heredity, and I am sure that when the atomic energy commission arranged by the United Nations Organization at its last general assembly session is functioning adequately, this problem will be coped with successfully. I merely add those words in passing.

I now come to the main subject with which I wish to deal tonight. Of course I support the position taken by the other spokesmen of this party, namely the hon. member for Vancouver-Quadra, and the hon. member for Lambton West, who from time to time in this house has taken the lead in urging action on the general problem of stimulating research activity in this country. I should like to come back to the aspect that I have stressed on two previous occasions in this house when there has been an opportunity to discuss the general subject of research. I refer to the role of government—to use the phrase that is included in the general resolution—in social science research.

The resolution stresses non-military research in Canada. From the use of that phrase I take it that the government, in putting forward this resolution, is trying to get away from the emphasis that has dominated research activity in this country ever since the founding of the national research council in 1917. It grew out of the emergency of world war I. Since that time the major emphasis in research in Canada has been on the military aspects, the development of weapons or, as that particular type of development is popularly known, the hardware aspects of research.

In Canada a small beginning has been made in the realm of social science research on the part of the government as well as on the part of voluntary organizations. We have in Canada a social science research council which is largely a voluntary group, and we also have a humanities research council. They have been doing notable pioneering work in the important area of social science research. The government also is operating in this field to a certain extent. For example, the national research council includes one psychologist in an advisory capacity, so that at least the door is slightly ajar for the entrance of social science research activity. The defence research board has moved a little bit further into the area because it is employing psychologists to deal with some of the general problems of human relations that arise when you have men concentrated together in the various branches of the armed forces.

Perhaps the most worth-while contribution in the field of human relations, however, has been in the Department of Citizenship and Immigration, where we find sociologists and social psychologists doing some excellent work in the problem of the integration and assimilation of our new citizens. That is an extremely important task to which this particular department has devoted some attention. Then of course you have any number of economists operating in the Department of Finance as well as in the Department of Trade and Commerce and similar departments, so that in a small way and in a rather uncoordinated fashion the government is playing a role in the newer scientific field of social science research.

I bring this subject before the house tonight, Mr. Speaker, because as the motion stands there does not seem to be much opportunity for further consideration of this important aspect of research in Canada. The scope is going to be narrowed stringently indeed even though the senior hon. member for Halifax indicates that there will be opportunity for discussion of general research problems. Unless we have the motion amended to provide for the calling of persons and papers the door will be pretty well shut to a consideration of the government role in social science research.

It would mean, for example, that there would not be the opportunity of calling in any representatives from our universities. Almost from time immemorial, universities have been the centre of creative activity in western civilization. I fail to see how it would be possible to deal adequately with research generally if we do not have the opportunity of calling before the committee some representatives of Canada's outstanding universities. It would be an extremely short-sighted policy indeed that would deny us this opportunity. Actually it would result in the work of the committee being almost fruitless.

Coming back now to the major emphasis I want to make tonight. While the government has done something in the realm of social science research, the voluntary groups have been much more active, particularly the Canadian social science research council. At the moment this council is faced with a rather difficult situation. Its traditional source of funds is drying up. Unfortunately Canada has depended largely upon United States foundations for the funds with which to carry on the important work of providing fellowships and scholarships at the graduate level in the area of social science. Each year recently the Canadian social science research council has been providing some 130 research fellowships. The money for those fellowships has come largely from two sources, namely the Rockefeller foundation and the Carnegie foundation. The Carnegie foundation, for example, has been contributing $90,000 annually. These contributions come to a total of some $8 million since it was first established in 1911. The Rockefeller foundation has been contributing $35,000 annually, and altogether a total of $12 million since it was established in 1914.

The Americans are becoming extremely reluctant to support Canadian research activity in this way. The difficulty first arose because of the report of the royal commission on the arts and sciences known as the Massey commission, which at that time was trying to encourage a more active participation on the part of the government and the people of Canada in our own social science research activity.

The introductory statements of the Massey commission said something to this effect: We have gained much from United States aid. In this preliminary stocktaking of Canadian cultural life it may be fair to inquire

whether we have gained a little too much. Granted that most of these United States donations are good in themselves, it does not follow that they have always been good for Canadians. We have not much right to be proud of our record as patrons of the arts. Is it possible that, besides the munificence of a Carnegie or a Rockefeller, Canadian contributions look so small that it seems hardly worth while making them? Or have we learned, wrongly, from our neighbour an unnecessary dependence on the contributions of the rich? Perhaps we have been tempted by a too-easy benevolence, but this leaves us in an undignified position, unworthy of our real power and prestige.

Now it seems that United States sources of support of the kind I have indicated took exception to the criticism of their contributions in this way. It was meant, of course, to be a prod to greater Canadian participation, but unfortunately it has had just the reverse effect. In the words of Blair Fraser, who was writing in *Maclean's* magazine last September 3 on this problem, the United States benefactors are now taking the attitude so far as Canada is concerned, you put up or shut up. Unfortunately there has been a very discouraging effect on the growing demands on the funds available from the voluntary Canadian social sciences research council.

In recent months there has been an attempt to influence Canadian industry, as well as the Canadian government of course, to meet the growing needs in the area of human relations. There has been no success as yet so far as the approach to the government is concerned because, as we know, no attempt has been made to implement the recommendations of the Massey commission in this regard. Last year the W. Burton Hurd memorial foundation was established, and a considerable effort was exerted to interest Canadian industrialists in making substantial contributions to this memorial fund.

Speaking personally, Mr. Speaker, I know of no more worthy name that could be associated with this fund. I see the hon. member for Winnipeg North Centre (Mr. Knowles) looking at me. I think he came under the influence of Professor Burton Hurd in his days at Brandon College, back in the twenties when Brandon College was evidently turning out C.C.F.'ers. I came under the same influence in the thirties when the same institution was turning out Conservatives. Later Professor Hurd went to McMaster University where he chaired the department of political economy. His name, therefore, as one of Canada's outstanding economists, one of Canada's pioneers in the field of population studies, should have rallied enthusiastic support. Unfortunately it did not, and only $15,000 was realized through this effort. Unfortunately the money was not of the foundation type; it was not a continuing sum of money. It was a one contribution proposition only.

In this area of social science research, therefore, the situation is becoming extremely critical from the financial standpoint in the first instance, and also from the lack of co-ordinating effort to adjust to this obviously growing need. The government is moving gradually into the field in its various departments, but we are moving so slowly we are not even keeping pace, to use the phrase that the hon. member for Lambton West used this afternoon. As technological change increases as a result of the progress toward automation, we are going to be left far behind.

We are already behind in this matter of trying to gather the necessary information. We can only do that as the committee is permitted to bring before it people from the universities. Activity of this kind is largely confined to the universities. We can only get the necessary information concerning the needs and the action required if we are permitted to bring before the committee the men who are endeavouring to deal with the growing problem under the various circumstances and conditions I have outlined.

The Minister of Trade and Commerce gave us one argument for not agreeing to the amendment before us, the problem of guarding classified information. It seems to me, Mr. Speaker, that difficulty would be entirely removed if the revised amendment presented by the hon. member for Vancouver-Quadra is taken into consideration. I would certainly suggest that all hon. members should see their way clear to support this very important amendment.

One final word. I feel that in a committee of this kind we can only make a beginning in tackling the challenge of research. If it is going to be successful, if we are really going to meet the challenge of the changing situation, it should be a continuing committee, and we should have the opportunity each year of bringing ourselves up to date with the changing circumstances.

Mr. Clarence Gillis (Cape Breton South): Ordinarily, Mr. Speaker, I would not speak on a resolution to set up a committee. But since the amendment has been moved I think I have something to say on this particular subject. I am not posing as an expert on atomic energy or research. I do not suppose there are many in this house who could.

All we know about the subject is what we have read in the press, lectures we have heard and conversations we have had with people who have attempted to make a study of it.

I think the idea of setting up the committee is timely. I am not particularly concerned with the matter of national research, but I am concerned about the peaceful uses of atomic energy. If you once got into that subject in all its ramifications, you could talk a long time and perhaps get tangled up so badly you would not know where you were when you finished.

I am going to stick to one aspect of it, and that is this matter of radiation. The people of Canada, and perhaps the people of the world, require some assurance on that subject. Since 1945 we have heard many statements broadcast and there have been panel discussions on the subject of what atomic blasts are doing to the world. For quite a while people were jittery. Today they have become kind of apathetic. Since 1945, despite all of the warnings and so forth, nothing has happened here, although we did have the demonstration of the Japanese fishermen getting badly burned by the fall-out from an atomic explosion that took place a long way off. The matter is still being discussed. The time has come for the Canadian government to begin to get as much information as there is available on the subject for the purpose of reassuring our people that at least they are making some study of the matter.

Along with the hon. member for Brandon-Souris (Mr. Dinsdale), and a couple of other hon. members, I had the pleasure of attending a portion of the last session of the United Nations under the capable leadership of the Minister of National Health and Welfare (Mr. Martin). When you go there as an observer you do not have any particular duties to perform. You have a free hand. You can sit in on any of the committees that are sitting, and also attend the general assembly when it is in session. As the hon. member for Brandon-Souris mentioned, at the last session of the United Nations the political committee talked at great length on this subject of the effects of radiation on genetics, and what radiation was going to do to the human race in the future. After sitting there day after day and listening to the discussions of men who are perhaps the best informed in the world on the subject, at least a little of it rubbed off on us. In addition, we did have the pleasure of meeting with the late Dr. Cipriani, who was an expert in that line at Chalk River, and we had discussions with him. It is unfortunate that a man of his age and his knowledge and personality had to leave us at this time and take his knowledge with him.

You meet some people whom you never forget. He was that kind of person. He told us a lot about this particular subject. He was the kind of person who does not use the technical language that is used by some people. He seemed to be the kind of person who could get down to where you were and talk to you in understandable language. I gathered from what I heard in that committee, and from what the late Dr. Cipriani had to say privately on the subject, that not much is known about the effects of radiation.

There always has been a certain build-up of radiation in the world. That build-up takes place to a greater extent in some countries than in others. I think I am correct in saying it was mentioned that the north of Scotland had a higher radiation build-up than any other section of the world. The Scandinavian countries, and I suppose British Columbia, would have a higher build-up than the prairies. There always has been a build-up in radiation. You get it from many things.

Dr. Cipriani's judgment was that it was difficult to say very much right now as to whether or not it was building up to the danger point, for the simple reason that there is no data on it. No formula has been perfected by the different countries as to how to get a uniform measurement. Each country was using a different formula, with the result that what one country was doing could not be compared with what another country was doing. The committee's job was to try to set up an atomic energy agency that would function within the structure of United Nations.

Of course there was difficulty for a long time in getting it set up because every time the matter of radiation measurements and that kind of thing came up they had their opposition there also. The opposition would appear with a bombshell and say, "We must discontinue the blasts for a long time".

They finally agreed on setting up an agency. It has been set up. The scientists of the world have formed a committee. That committee is either meeting now or will meet shortly. The hon. member for Brandon-Souris says it is meeting now. Their objective is to get some data on the radiation build-up that has taken place in the world since the discharge of the atomic and hydrogen bombs. Until that agency gets proper measurements that will be comparable in every section of the world I do not think anybody can say anything with any authority

as to what the situation is today with respect to radiation and genetics. That data is not available.

Now is a good time for the Canadian government to demonstrate to our people that we are interested in this particular subject. Perhaps the Minister of Trade and Commerce was quite correct when he objected to the first amendment and said that classified material that was on the secret list should not be made public. The hon. member for Vancouver-Quadra has amended his amendment and is now asking only for the right to call witnesses and have unclassified material; that is, material that is not on the secret list, which he thinks should be made available. I do not think there is much on the secret list today, anyway.

I am supporting the amendment because I think it is necessary that we should begin to tell our people that we are making an active study of the subject.

While attending the United Nations session I was impressed with what the United States was doing in this field. For example, for three weeks at least while I was there they had a display of all the equipment that is used in the atomic energy field in the Carnegie building just across from the United Nations building. They took the uranium right from the ore state and traced it down to the splitting of the atom. Every machine that is used in any of these plants was there in miniature form operating exactly as it operates in a real plant. They had a capable man on each machine to tell exactly what the function of the machine was. There was a lot of equipment there, because it took me exactly three hours to go through the display and get a little idea of what each of the machines was doing and of the possibilities of the atom in the future in a peaceful way.

I was amazed to find the things you can do with that material today. In the development of agriculture, for example, there was a demonstration of what it will do for wheat and the many ways it can improve it. We were shown how perishable foods are preserved; but the thing that impressed me most were the possibilities of the atom for medicinal purposes, for health purposes. There was a demonstration showing the improvement in the X-ray machine and the use of isotopes in determining what is wrong with the human body. There is no guess work any more with the new equipment they have in the X-ray field and with the use of the isotopes for determining what is wrong with the body. According to the lecture I heard there is no guess work any more. This new equipment shows every tissue in the human body; it shows what is going on. The technician can tell the doctor what is wrong.

They tell me that most of the large hospitals in New York are equipped with that type of equipment. It is very expensive and it is scarce at the present time, but they assured us it would not be far in the future until most of the larger centres will be furnished with that kind of equipment. If we are sensible, and I think from all indications we are now learning how to live together in the world through fear, if through nothing else, we can put the atom to use for peaceful purposes. If we do that, the possibilities are unlimited.

My understanding is that the government of the United States has provided all that equipment. It must have cost a lot of money. They put on that demonstration, as I understand it, at Geneva and then they took the equipment over to the last session of the United Nations for all to see. If I had seen nothing else, my trip to New York was worth while because of that demonstration and the possibilities it illustrated of the use of the atom for peace in the future.

I think we are missing the boat when our government is not keeping as closely as possible in touch with that kind of thing and showing our people the possibility of using this atom, which is scaring everyone today because of the possibilities of war, for peaceful purposes. We should be playing up the constructive uses of the atom and playing down the idea of war. As I said before, I think we will have peace for some considerable time through fear; but in order to guarantee that peace we should harness the machine that can be used for destruction and put it to the constructive uses I have mentioned; and we should gain the support of the Canadian people and people throughout the world for the constructive use of the atom.

For the reasons I have mentioned I am supporting the amendment. I believe it is right to set up a committee; but in addition to having a committee I believe it should be able to call in men from the Department of External Affairs and men from the atomic energy plant at Chalk River who would be able to tell the committee what is being done by other governments and what our government is doing to co-operate with other countries in this field.

We are not disseminating enough of that kind of information. I think we could make a start with this committee if we accepted the amendment that has been moved by the hon. member for Vancouver-Quadra. That is my main purpose in rising, Mr. Speaker, and I suggest to the Minister of Trade and Commerce, now that the hon. member for Vancouver-Quadra has moved his amendment

and has pretty well specified what he needs in the way of evidence and documents, the acceptance of his amendment.

As the hon. member has said, anything that might be secret would be off the official list. Our acceptance of his amendment would probably shorten this debate. It would be good business if the minister would accept the amended resolution and let us get the committee set up and get down to business.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I should like to mention a phase of research which I think should be covered by this committee. It is a field that means a great deal to a large number of Canadians, and it is a field which is apt to be overlooked. I refer to the general fisheries research field which should be considered by this proposed committee.

For authority to consider fisheries under this motion I would think that part (b) of the operations of the national research council would be sufficient. Section 7 of the Research Council Act, chapter 239 of the Revised Statutes of Canada, 1952, states, and I quote just the last part of the section, Mr. Speaker:

> The council . . . also has the duty of advising the committee on questions of scientific and technological methods affecting the expansion of Canadian industries or the utilization of the natural resources of Canada.

The role of the federal government in fisheries generally is a matter of constitutional charter, but I think it would be sufficient to state that section 91, subsection 12 of the British North America Act, which gives the federal authority the right to regulate and limit sea coast and inland fisheries would be enough authority here, with the exception of course that the provinces still retain provincial and civil rights in regard to fisheries.

I would hope that the powers of the committee, as the hon. member for Vancouver-Quadra has suggested in his amendment, would include the right to call for all papers—those would be unclassified papers—and persons and records.

There is generally a new interest in the exploration of the sea. A few years ago it was all air but today, with the increasing interest we find in the sea, we read of the frogmen in the deep, underwater television and all these new ideas concerning the ocean depths. This brings to mind the potentialities of this seemingly small but important fishing industry that has no strong lobbying power and no great industry upon which it can rely for subsidy and assistance in research. Nevertheless it is an important factor in our future.

In order to begin I ask the question, just what is being done now in fisheries research? I am pleased to report that as far as I can see personally we are making very good progress in this particular field. As the Minister of Fisheries recently said—and I must admit that the Minister of Fisheries is research conscious—when he addressed the Fisheries Council of Canada on January 4, with the commissions and other bodies today it is necessary to keep up and continue research in all branches of fisheries.

Recently I had some questions and answers tabled with regard to the money that is spent by the government on fisheries products in relation to the total market value. If my quick arithmetic serves me well I think it is fair to say that on fisheries research we are spending between one-half and three-quarters of 1 per cent of the total market landed value of our fisheries. This is comparatively good, I think, but like everything else it can be better, and I suggest that further stimulation needs to be given to fisheries research and perhaps better co-ordination.

What would be some of the problems into which this committee could inquire regarding fisheries research? I suggest that there would be the small problems that are encountered from day to day, such as the problems of lobster fishing and of the seasons, all of which have to be looked into. Last year we had the unusual circumstance of herring cluttering up the lobster traps due to a peculiar condition which caused their death. This was a matter that required scientific investigation. When the results came out it was found that this particular heart condition affecting the herring was depleting the lobsters.

Then there is the problem in connection with clams and green crabs which is causing so much trouble. The clam industry goes back to the days of Champlain, when he found it necessary to rely on these lovely, delicious clams to help sustain life in the early days in Canada.

There is another problem which is a continuing one, and which the Minister of Fisheries has said presents one of the greatest challenges to the department. I refer to the decline in salmon production. This is a field which deserves considerable attention. According to information which has been tabled, the value of research in this connection has been made clear and I admit that the figures given are good when considered in relation to the total value of the salmon catch. But we are getting nowhere as far as the salmon industry is concerned.

As far as the situation in New Brunswick is concerned, there are said to be four or five reasons for this decline in salmon production. First there is the industrialization,

which is inevitable. Then there is the spruce budworm, which brings in the Department of Agriculture. There has been a conflict of statements in this regard. Some research experts say that the spruce budworm has had no effect upon salmon production, while others say that it has had a direct effect. I believe the fisheries research authorities have said that this spraying has been going on for only a few years and that the cycle of salmon growth will not have been completed for one or two more years, and that therefore definite conclusions cannot be reached in this respect.

This is a problem for our research experts, and I submit that this committee should satisfy itself that such problems are looked into. If this were done we might be able to reverse the serious decline of 66 per cent which has taken place in our salmon industry from 1930 to the present time. Japan has shown the way in recent years. By the use of modern research methods they have been able to triple their salmon output.

Having said that, I come to the third question. What could be done in this fisheries research field? There are many solutions for the problems confronting the salmon industry, but one that comes quickly to my mind is the successful efforts which have been made to hurry the growth of young trout and salmon. This biological discovery was made by chance by a fisheries expert in the maritimes, whose name I think was Kenneth Shillington. He found that by segregating hardy types of salmon and trout he could increase their growth as much as one pound a year. If this discovery is fostered and promoted by our experts it should prove a quick solution to the problem that confronts both the commercial fisherman and the angler.

Further research work should be done in connection with lobsters, in the use of the new steel traps and in other ways. Coming to clams again, this problem is more of a technological nature, in the development of new diggers and other efficient methods of fishing.

If this committee finds it feasible to call in the fisheries experts there are two questions which should be foremost in their minds. First there is the biological inquiry that should be made. Most fisheries experts will agree that we have to consider the life of the sea from a strictly biological point of view. What is that life like? Where does it exist? In what parts of the sea will it be found? Ocean currents, temperature and the like all have to be considered.

After this fundamental biological knowledge has been taken into account and the complete life history and environment of the particular fish ascertained, then we would be prepared to consider the second or technological aspect. That of course would take in the complete life of the fish up to its eventual delivery to market.

In this connection I think we should consider what has been done in this field in other countries, and I would refer in particular to legislation passed in the United States on July 1, 1954. While this legislation might not be completely feasible for Canada, it has provided co-ordination and stimulus for the fishing industry in that country. This legislation is commonly known as the Saltonstall-Kennedy act and was the result of successful lobbying by Messrs. Saltonstall and Kennedy. The legislation provided that the department of the interior, under which fisheries comes, would receive 30 per cent of all tariffs obtained from the import of fish products. The pertinent part of this legislation which I intend to quote will give an idea of what my theme is this evening. The act was set up:

> (1) to promote the free flow of domestically produced fishery products in commerce by conducting a fishery educational service and fishery technological, biological and related research programs, the moneys so transferred to be also available for the purchase or other acquisition, construction, equipment, operation, and maintenance of vessels or other facilities necessary for conducting research as provided for in this section, and
>
> (2) to develop and increase markets for fishery products of domestic origin and (3) to conduct any biological, technological, or other research pertaining to American fisheries.

In the report of this committee a further significant matter was brought out. That is the fact that this legislation in itself did not provide everything. It was a fact that when the legislation was being lobbied, promoted and discussed in the United States it was necessary to set up committees and call in experts in the various biological and technical fields of the fisheries industry to make their statements and offer their independent suggestions as to the future of the industry. That should be the lesson of this legislation for us. It was not enough in itself; it had to have the expert stimulation that was so necessary.

Having said that, Mr. Speaker, I should like to review the thoughts I have expressed. I pointed out that I believe the committee should consider research into the fishing industry in as detailed fashion as possible. We should inquire what is being done. I suggested that our fisheries research in Canada is good. However, it has to be better because we have a small new industry and continual promotion is essential. Having said

that, I dealt with one or two problems into which inquiry should be made. I suggested what could be done, what might be put before the experts or what the experts might do to help the industry. Finally, I mentioned the Saltonstall-Kennedy legislation. I think we should definitely take note of it and, if it is within the powers of the committee, invite an expert who has dealt with this matter in the New England states to appear before the committee.

I call for greater emphasis on and greater investment in this necessary part of our industrial life in Canada. The fishing industry is so essential to both coasts of this country that we should be certain it is given due promotion. We must always remember that the economy of the maritimes is lagging, and the fishing industry is lagging within that economy. I hope that this committee, with amended powers, will take note of my plea for the necessary consideration of an important phase of our industrial life.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I was one of those who urged last session that such a committee be set up then. I urged it on the basis of a rather important statement made by President Eisenhower of the United States. The committee was not set up last year; unfortunately it did not function. However, we are happy to support the setting up of the committee this year, and also to support the amendment that has been moved providing for the calling of persons and papers.

In reading the resolution closely I find that the most pertinent part of it, as far as I can see, is that which refers to the role of government. The motion reads:

> That a special committee be appointed to examine into the role of government in the field of non-military research in Canada, including:
> (a) operations in the field of atomic energy,
> (b) operations of the national research council.

I hope I have not read the motion incorrectly, but as I read it, it does not really call for the setting up of a committee to examine the operations in the field of atomic energy or the operations of the national research council proper. Rather it calls for an examination of the part the government should play in these matters. I do not know how extensive its work would be, and I am suggesting that perhaps the Minister of Trade and Commerce overlooked that point.

If we take the resolution literally, any examination into the field of atomic energy itself or into the operations of the national research council could possibly be ruled out. The chairman of the committee could say that we are not concerned with these things, that all we are concerned about is the role the government is going to play in them, whether it is going to enter into these fields or whether it is not, whether the government should take over the results of the work of the national research council and run the whole show of atomic production, or whether that should be left to private enterprise.

I trust that is not the intention of the government and the actual meaning of the wording of the resolution. I take it, and I am sure the house is under the impression, that the actual meaning is that the committee can examine into all questions covering operation in the field of atomic energy and concerning the national research council. I point that out because I do not want anything to happen once the committee is set up.

Reading the resolution again, I refer to the pertinent point, the role of government. I suppose everyone knows what the word "role" means. I thought I did, but for the sake of making sure I sent for an English dictionary. I find that the first definition given here is "actor's part". I hope the government is going to be a little more than an actor in some drama, because usually actors are sort of fictitious individuals who portray a good deal of unreality. However, the definition continues and says, "One's function". I think that is the definition that is meant by the role of government, what the function of government should be with respect to these various fields of research.

In anything a committee does, Mr. Speaker, in anything parliament does, in anything the government does, and with respect to all laws passed in this house, I am sure we should have one particular objective in mind. I believe we have reason to ask one pertinent question, particularly when it comes to the discussion of the work of this committee. As those who are responsible for the eventual destiny of the nation, I think the one over-all and fundamental question that we have to deal with is this: What is the purpose of life? In the matter of this resolution, I do not think we should look at it with the idea of seeing, for instance, how a corporation that enters into the business of atomic energy could make a million dollars. Rather I think we should look to see how, through the discoveries that are made and the development of these sciences, the nation can reach that ultimate objective of a full life.

When we begin to think of the subject in those terms I fancy several extremely important factors are brought into operation. The first one I am going to speak of is this, and here I ask another question. We should ask ourselves this question: What are we

able to do in the realm of physical or material sciences to reach the objective which I have already stated, namely the full and abundant life for the Canadian people? We have now reached an age when, in the material sense, nothing seems to be impossible. Through scientific ventures we seem to be able to do almost anything which the human mind conceives.

We now talk of the discovery of atomic energy. We perhaps think of this energy as a new thing, but it will not be too long, perhaps within the space of a generation, until we shall be talking of another new type of energy, namely solar energy. As the nation progresses, one thing displaces another. Before we get atomic energy to a place where it is recognized and used by the nation, it may become almost obsolete overnight through the advent of solar energy.

There is another matter I believe the committee and the government should take into account when we are thinking of research into all these modern sciences, and it is this. What do we produce these modern appliances for? What do we produce anything for? Is it not for the good of the people? Do we not investigate these various fields of science with a view to bringing into operation the result, whatever the case may be, for the benefit of the people of the country? Is that always done?

While I believe that private industry is playing its normal part and perhaps more in these matters, I am wondering whether private industry recognizes its purpose. Is the purpose of private industry to make millions? Is that the ultimate purpose? Of course if we live in a dollar complex and simply say, "It is the purpose of life to build up a fortune", then we are just missing the object of life. The purpose of industry is to produce, and the purpose of production is to satisfy the requirements of the nation.

Let us consider this field of research. For instance, I am told that we can produce steel so hard that it will never wear out. I am told that. I read that in various journals that come to my desk. Then I ask the question: Are these things that are built of steel built to be used? Are they built for permanency? Let us consider the automobile. It is possible to manufacture an automobile of steel that will never wear out. Why do we not do it? The reason is that when they manufacture an automobile, they manufacture it for the purpose of it wearing out. The same is true with regard to anything else. As my friend the hon. member for Bow River (Mr. Johnston) says, it is the same with the electric light bulb. I fancy they could manufacture a light bulb that would burn forever, or burn for a lifetime. Why do we not do it then? The reason is that eventually, if we do that, we shall come to a place where industry will be slowed down.

Let us look at the matter fairly and squarely. Suppose it is slowed down. Even today we find that labour is beginning to recognize that problem and say, "We will do things now by working 30 hours a week instead of 40 hours". Suppose that is so. What about it? Suppose we can do these things by working 10 hours a week. What about it? Why not? Let us go on a holiday for the rest of the week. Why not? If the function of an economic system is to produce an abundant living, why not? I think this consideration enters the picture, namely that industry, in the course of economic events, must get back its investment before the new can displace the old.

The Acting Speaker (Mr. Applewhaite): Order. I feel sure that the hon. member for Macleod will not consider that I am being unreasonable if I point out to him—as he pointed out to us at the beginning of his speech—that this resolution deals with the role of government in research. I think he is perhaps getting rather far afield from the role of government in research.

Mr. Hansell: Mr. Speaker, I shall try to stay within the subject of the role of government. What I was trying to point out was this, and I was coming to it as the next point. One of the things government should do, if it is in the realm of research and discovers certain things that can be put into production and operation, is so to manage the affairs of the country that they are put into operation now, and not a generation from now. Things should not be held back by reason of the fact that there are huge investments in the present role of industry, and they must be recovered before the new thing can be put on the market.

That is what I was coming to in respect of the role of government in these matters. I think the role of government in this respect is certainly to make available to the people the results of research. If the results of research are not made available to the people, it is all going to be for nothing as far as this generation is concerned.

I do not know what we have done toward making available to the people the results of research, even with the national research council. I believe that private enterprise has done a pretty good job by itself in research, in development and so forth. I believe the government should synchronize its work with private industry for the purpose of giving the results of research to the people of Canada.

I have another point in my notes, Mr. Speaker, but I am sure you would rise again and remind me that we are dealing with the role of government in research. I was going to say that I am quite certain if the government paid attention to the importance of providing the people of Canada with incomes sufficient to make the results of research available to them, this research would go ahead at a pace such as we have never seen before. In the end the results of research have to be passed on to the people. The only way the people are going to get those results is by buying them.

I pass that on to the minister. I know he is aware of it. But I know he would get up and say, "Well, I am the Minister of Trade and Commerce and the Minister of Defence Production. National research comes under my department, but the functioning of the economy of the country is in the hands of another department, so you will have to get after them." I thought I would just express some of these views, because I believe that angle of our national objective should be pronounced.

Mr. Roland Michener (St. Paul's): As you have just reminded the house, Mr. Speaker, we are considering the setting up of a committee to examine into and report on the role of government in research matters. This proposed committee could be one of great benefit and far-reaching significance. How well it does its work, and how well it can do its work, seems to depend to some extent on its powers. We have that secondary issue before us by way of an amendment.

It seems to me that this committee should have a scope which permits it to go beyond the hearing of evidence from those now engaged in scientific research in the various agencies of the federal government, and to call from industry and the academic world from all parts of Canada people who are able to contribute advice or information which the committee will need if it is to give any clear lead as to what is the proper role of government. I believe we all concede the importance of research, and I need not dwell on that. We also recognize the government's need of advice which can be obtained through the instrumentality of a committee such as this.

The federal government is not the only government to set up a committee of this kind, or to obtain assistance from advisory sources. I refer to the advisory committee on scientific policy which has been performing similar functions for the government of the United Kingdom. I should like to indicate my view of the importance of what is done in the field of research by quoting from the seventh annual report of this United Kingdom committee. It makes this very significant summary:

> Today a country's wealth and power are largely determined by the extent of its scientific knowledge and by its capacity to use that knowledge.

To me that means a country's standard of living and its capacity to defend itself. A country's wealth and power is largely determined by the extent of its scientific knowledge and its capacity to use that knowledge. Those are the issues on which the government wants assistance from this committee.

I suggest that the importance of research and scientific knowledge is such that the government cannot afford to be wrong if it is to keep Canada in its proper place amongst the nations of the world. At the moment there is no single agency which has the oversight of all the multifarious research activities in which people engage, some under the aegis of the government and some under provincial and industrial direction. There is no single agency today which is in a position to oversee the entire field and give the advice which this committee will be asked to give. It is true that there are a great many agencies, and we all know the more important of them. One of them is the national research council, but even it does not cover the whole field and is not in the position which this committee will be to review and advise the government on its proper role.

Perhaps there is a parallel here between the C.B.C., which is actually engaged in broadcasting as well as regulating broadcasting, and the sort of supervisory commission which has been suggested as necessary and desirable to regulate the C.B.C. and the private agencies. This committee would stand above the national research council and look over not only its work but other research activity in the country in which the federal government could possibly be interested.

Another agency of the federal government, as is well known, is the committee on scientific research of the privy council, comprising six or seven ministers under whose direction the national research council functions. Then we have the research branches of the various departments of government, beginning with agriculture which has been engaged in this field the longest, and running through mines, the board of grain commissioners under the Department of Trade and Commerce, fisheries and some other departments which have fairly substantial research branches. Then we have the universities. We have industrial laboratories, some engaged in very extensive research such as that done by the pulp and paper companies.

Then we go on to agencies under provincial jurisdiction. Alberta has a research council. There was a research council in Ontario, and there is the Ontario research foundation today. As I have said, there is a multitude of agencies now working toward the desirable end of applying scientific knowledge to the good of Canadians and the Canadian life.

I think I might illustrate the problem which is before the house by referring to the experience which the Ontario government had seven or eight years ago when, under the leadership of the present Leader of the Opposition (Mr. Drew), who was then premier of Ontario, they set up a commission under the public inquiries act which had almost the same terms of reference as are suggested for this select committee of the house. It was to consider what was the proper role of the provincial government in this field of research; where it could properly spend money in research and where it should not, and how its responsibilities could be correlated with those of the federal and other authorities so there would not be overlapping, and all would be integrated for the greatest usefulness. That commission, under its terms of reference, recommended legislation under which an advisory council was formed and functioned for several years with the sole purpose of assisting the government in determining how far it should go in spending public funds on research.

If I may refer to that Ontario commission briefly, the first task it undertook and recommended was that of providing more trained personnel through scholarships, something which the federal government is now doing on a more extensive scale through the national research council scholarships, which were paid out in the sum of something over $600,000 last year. Ontario research scholarships in the amount of $50,000 annually have provided advanced training, post-graduate training, for a number of people who are now available for scientific research. It is obvious that the basis of research is the people who are trained to do it.

That was the first proper role of government which was recommended. Then the council set about co-ordinating the work of federal, provincial and private agencies through advisory committees which were established, one in each of seven or eight important fields, such as the advisory committee on agriculture and the one on fisheries and wildlife. I believe that similar advisory committees have been usefully serving the national research council.

These committees bring together at one time and place and several times during the year all the men and women who are engaged in a specific type of research, where they exchange experiences and learn what each other is doing and avoid in that way the duplication which is so easy and so wasteful in the scientific field where there is so much to be done.

Then there were grants in aid of specific research, and so on. That effort to obtain proper advice is a parallel to what we are doing here today. The complication which exists because of the federal nature of our government is one of the problems that make it particularly necessary that such a committee should review periodically the role of government. There has to be not only the co-ordination of the federal government activities with those of industry, private institutions and universities, but the provinces also have a jurisdiction. There is the problem of integrating the research expenditures and work of eleven governments that operate in their own fields.

Another difficulty which may arise from the reference which is made in this resolution is the distinction between civil and military research. The resolution limits the committee to inquiring into non-military research in Canada. It may not be easy to say what is non-military. A very interesting example came to my attention the other day. There are two researchers, Dr. K. C. Fisher and Donald Smith, who are doing research in the Arctic area on a very humble little animal known as the lemming. I do not recall the hon. member for Mackenzie River (Mr. Hardie) mentioning this animal among his pets in the very interesting address he gave the other night; but the lemming is a celebrated animal in the Arctic which, according to tradition, is reputed to commit mass suicide by rushing into the sea and drowning itself.

There are two university professors looking into this matter at the expense of the federal government under the defence research council; therefore it is a military type of research. They are trying to find out how the lemming lives in that cold climate and whether he does or does not drown himself en masse. They are trying to find out all about the lemming. It is a very interesting piece of research. The suicide theory has been exploded, and I expect that in the long run some very useful information for civilians who live and work in the north country may come out of this. I mention it simply to point out the difficulty in trying to draw a clear line between what is civilian and what is military in the research field.

I am sure this committee will not be circumscribed in inquiring into matters which are on the borderline, as everyone has freely agreed it should not have the authority to

call for documents which are classified or which are necessarily secret for defence reasons.

If the committee proceeds with full power, I suggest that some of its likely subjects of recommendation are, first, the field of the actual doing of research, which is part of the work of the national research council today. It is engaged in carrying out actual specific research projects, and in very substantial numbers. This is a proper role of government.

In Ontario, the Ontario research foundation does that same kind of work. It is a co-operative effort of government and industry, the capital having been put up some years ago by the two, with industry subscribing part of the capital and the government the remainder. It is a custom researcher. It receives orders from industry and carries them out, and gives the answers where it can and charges a fee. I daresay that is the method under which the national research council carries on some of its work. This is one proper role of government, the actual doing of research.

Then a second role is that of sponsoring research by others, either by financial grants in aid, or in the case of industry I should think probably by matching similar contributions by industry. In the case of universities, very extensive research is carried on today under grants from the federal government as well as from the provincial governments, and that is a proper role of government.

Then there is the problem of co-ordination of the work among the various agencies I have mentioned. The committee will undoubtedly have something to say about that if it does its job well.

The most important role of government is to make known the results of useful research when those results have been obtained, because after all the application of scientific knowledge gained through research to the ordinary affairs of life is what creates the wealth and power to which I referred earlier in this speech.

There is one other matter which is also of considerable importance, and that is the problem of utilizing the scientific personnel and facilities of the country to the best advantage. As I said, there is a limited number of people and limited facilities, and this committee could properly inquire into the use of those limited facilities.

Finally there is the question of providing more personnel. It seems to me that this is one of the most important problems which this committee could consider. We all know that as soon as an engineer gets his diploma from a university today he is offered a job at an attractive salary, and he is strongly tempted to stop his education at that point and begin working. He may be married by that time; he wants to get a start in life, and away he goes into business. This has been carried on to such an extent that today there are practically no engineers doing post-graduate work, and that to my mind is a most serious concern which should be placed before this committee and should be the subject of a recommendation.

I appreciate that we are getting into the field of education, and there complications of jurisdiction arise; but that does not mean that we should not do our part to solve the problem of creating more post-graduate work in the engineering field so there will be more qualified people who can do this essential work necessary to maintain Canada as an industrial nation in this twentieth century.

I suggest that what we need in Canada is a Canadian M.I.T.—and I think the minister will know what I mean—

Mr. Howe (Port Arthur): I do not know what you are talking about.

Mr. Michener: —when I refer to the Massachusetts Institute of Technology—

Mr. Howe (Port Arthur): I not only don't know what he means but I don't know what he is talking about.

Mr. Michener: That is an institution where not only under-graduate engineering but post-graduate work is given the greatest possible emphasis. I am not prepared to say how we can establish something comparable to this in Canada, but I do suggest that this is a field of inquiry into which this committee could very usefully look and for which it could find some answer.

Another reason why engineering—

Mr. Howe (Port Arthur): Don't forget that.

Mr. Michener: —is not the subject of so many scholarships is found if you will look at the national research council, where you will find that scholarships granted for post-graduate work are relatively small as compared with those granted to chemists or physicists and others engaged in those fields which we sometimes call the purer sciences. But there is another side to this problem of post-graduate work for engineers, and that rests with the professors. The professors in the engineering field are able to do consulting work to their own advantage during the summer months. They do not have the same interest or compulsion, perhaps, to establish and promote graduate schools in the engineering field.

That concludes what I have to say except for this final word. This committee can be of the greatest importance in directing public funds into channels which to my mind are as important as any thing for which public funds can be used. The statement with which I began, to the effect that the wealth and power of Canada largely depend upon the use which we make of our scientific knowledge and personnel, is not an overstatement. I hope the committee will be given sufficient power to do this job, and that it will have done a productive job when it is finished.

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I join with my colleagues on all sides of the house in welcoming the formation of this committee to undertake an examination into the role of government in the field of non-military research. I do hope, however, that the Minister of Trade and Commerce will accede to the request embodied in the amendment to the resolution moved by the hon. member for Vancouver-Quadra. That amendment as further amended at eight o'clock would give this committee authority to send for persons and unclassified papers and records.

The minister did make a case, I think, as regards classified records or documents. I do not think any hon. member of the house would want to have any part in running any danger of making available information of a classified or secret nature. I believe, however, the amendment with the restriction as to papers and records being only those which are unclassified would certainly get around that problem.

As for the matter of sending for persons, the minister suggested it was possible that persons who are concerned with the government in the field of atomic research or the operations of the research council might inadvertently let loose some classified information if they were being examined by members of that committee. I think if individuals in the government service can be trusted to the extent of having access to classified information, we can certainly trust their discretion not to reveal information of a classified nature in appearances before a committee such as is proposed. I therefore hope that the minister will accede to the amendment as amended.

There is one phase of the operation of this committee which I think is quite important. Outside of the field of government activities, atomic energy research and national research council research, we have the problem of the role of government in encouraging and assisting research undertaken by industry generally, in other words by private interests. I hope this committee will have the opportunity to examine most fully the policies of the government through an examination of members of the government and members of the proper government departments as to the policies and procedures being followed by the government in encouraging private enterprise, corporations or industries to undertake a larger part of the job of essential non-military research in Canada.

Very obviously a good part of the government's role in private research is involved in the operations and the policies of the income tax department. I believe that much more could be done by the government through income tax concessions in various forms to encourage private industry to itself undertake a greater measure of essential research. I also believe the government could encourage industry to stimulate purely creative research backed by industry by allowing as credits for income tax purposes, in other words the deduction from taxable income, grants to foundations, universities and scholarships awarded by corporations or industries to universities in order to further stimulate the broad field of research in industry in Canada.

One side effect, and an important one, of any expanded research program in Canada, both that undertaken by private industry and that undertaken by the government, would be in effect a measure of conservation of one of Canada's most vital resources. I refer, of course, to the research brains developed in Canada. There should be provided in Canada opportunities for our research brains to undertake creative employment within Canada in all phases of industry, and thus slow up the migration of a good part of our Canadian-produced talent to the United States and elsewhere in the world where the opportunities for research are greater than they are in Canada today.

In the few moments that remain before ten o'clock I should like to speak briefly about one or two phases of research in the hydrocarbon field which, of course, is of considerable interest to western Canada where we have such huge reserves of all forms of hydrocarbons. We have something like 40 billion tons of coal, and in the bitumen sands there is estimated to be something between 100 and 300 billion barrels of liquid bitumen. Then there are our vast resources of crude oil and natural gas.

In connection with the tar sands there has been co-operative research by government and industry for a good many years. This research has been in the usage of the tar

sands and is most vital to Canada, because those sands contain in the form of bitumen more than the entire resources of conventional crude oils in the world. Those tar sands constitute for Canada and for the world resources of almost limitless magnitude for the centuries ahead, when the more conventional types of oil may be depleted.

For many years the national research council has undertaken extensive research into better methods of separating the bitumen from the sand, and so has the Alberta research council. During the last world war and for some years afterwards private industry undertook similar research. In the last year or two there have been some new developments.

A rather interesting one occurred more or less by accident. A man who was not a trained researcher, who was not a trained chemist or an engineer, carried out some experiments in the basement of his home in Calgary to determine some simple means of separating the bitumen wrapped around the grains of these tar sands of northern Alberta. By accident he finally hit on something which has considerable promise.

He found that if the bituminous sand was mixed with kerosene and then put through a centrifuge with cold, salty water there would be brought about a separation of the bitumen and the sand. In the last two years some hundreds of thousands of dollars have been spent by private groups in an effort to turn this idea into an economically feasible method of separation of the bitumen and the sand.

Research is being carried a little further in an effort to develop more efficient and more economical means of mining these huge beds of bitumen sands in northern Alberta. Research is being carried on to a limited extent in connection with the next problem of what to do with the bitumen once it has been mined and separated from the sands.

There is a big field for the future in which government and private industry can spend not only a great deal of money but effort and time in the hope of arriving at a solution of the great problem of turning these tremendous natural resources into something that can be used for the good of this country.

In connection with coal there has been a great deal of research both in Canada and elsewhere in the world. Coal is now being turned into a great many products used by mankind. Some of our women are now wearing clothes made from coal, and there is a whole host of medicines derived from coal. Cosmetics and a full range of other products in everyday use are derived from the basic product of black coal. The national research council has done a great deal of fine work in the development of coal-fired gas turbines, and research at McGill University has accomplished a great deal in that regard as well. This is a field of research which if continued to an effective conclusion should open up new prospects for one of Canada's depressed industries, the coal industry of the maritimes and the prairies.

Until a few years ago natural gas was considered a waste by-product of oil, but in the last two decades gas has become not only a fuel but a major raw material for the production of a whole host of chemical and petrochemical products. For example, during the last war natural gas which had been going to waste in the Turner valley field near Calgary, at a place called Hell's Half Acre, was used to produce munitions for the allied war effort. Natural gas combined with air provided the means of making munitions. That particular wartime plant near Calgary is now in operation combining the components of natural gas with the components of air to turn out fertilizers. The ammonia plant is now playing a most important part in the economy of that community, and is providing a sizeable portion of the chemical fertilizers being used in this country, with considerable left for export.

This procedure of turning gas and oil into a host of products has resulted from research. Today many products are being produced from hydrocarbons which are found in abundance in many parts of Canada. As an instance we have the gas, a petroleum by-product, which provides the artificial rubbers being produced by the Polymer Corporation at Sarnia, and then we have everything from fertilizers, medicinal products, clothing and a whole range of chemicals that are now being produced. In the years to come there will be a long list of all sorts of products which will help to make Canada and the world a better place in which to live.

On motion of Mr. Nickle the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: As I indicated last week, we will begin tomorrow with the Department of Fisheries. If we happen to complete that department we shall take the resolution with respect to the special committee on railways and shipping. I assume that there may not be very much to be said on that, and it may go through. If there is still time we will take the resolution standing in my name on the order paper.

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:

CHARTERED BANKS—PROFITS, TAXATION, ETC.

Question No. 181—**Mr. Johnston (Bow River):**

1. What were the profits of the ten chartered banks for each of the years 1950 to 1955 after making appropriation to contingent reserve, and provision for depreciation of bank premises and equipment?

2. What provision was made by these banks for dominion and provincial taxation in each of these years?

Questions

3. What was the percentage of profits shown in answer to question (1) to paid up capital in each of the years mentioned?

4. What was the actual rate of dividend paid by these banks for those years?

Answer by: **Mr. Harris:**

The information requested in questions 1, 2 and 3 with respect to the fiscal years 1950, 1951 and 1952 was given in *Hansard* of March 30, 1953 and with respect to the fiscal year 1953 in *Hansard* of March 3, 1954. That requested in question 4 with respect to the fiscal years 1950, 1951, 1952 and 1953 was given in *Hansard* of March 3, 1954. For the fiscal years 1954 and 1955, with amounts expressed in thousands of dollars, the information is as follows:

—	(1) Net profits	(2) Provision for income taxes	(3) Percentage of net profits to paid-up capital	(3-a) Percentage of net profits to shareholders equity	(4) Rate of dividend on paid-up capital
1954	$	$	%	%	%
Bank of Montreal	7,344	6,925	16·72	5·46	14·0
The Bank of Nova Scotia	3,161	2,760	21·07	6·26	18·0
The Bank of Toronto	1,370	1,488	22·83	5·55	17·0
The Provincial Bank of Canada	524	385	10·48	6·29	8·0
The Canadian Bank of Commerce	6,404	6,807	21·35	7·84	12·0
The Royal Bank of Canada	9,558	9,276	22·86	6·50	15¼
The Dominion Bank	1,474	1,390	21·05	6·64	13·0
Banque Canadienne Nationale	1,562	1,211	22·31	8·61	12·0
Imperial Bank of Canada	1,549	1,818	22·13	6·72	15·0
Barclays Bank (Canada)	86	42	2·87	1·37	nil
The Mercantile Bank of Canada	Loss	nil	nil	nil	nil
1955					
Bank of Montreal	8,042	7,043	17·87	5·78	14½
The Bank of Nova Scotia	3,502	2,800	23·35	6·86	20·0
The Toronto-Dominion Bank	3,228	2,852	21·52	6·75	15·0
The Provincial Bank of Canada	575	382	11·50	6·33	8·4
The Canadian Bank of Commerce	7,260	7,050	19·37	6·92	12·0
The Royal Bank of Canada	10,858	11,215	25·85	7·19	17¾
Banque Canadienne Nationale	1,604	1,381	22·91	7·33	12½
Imperial Bank of Canada	2,183	1,990	21·85	6·47	16·0
Barclays Bank (Canada)	12	nil	·40	·19	nil
The Mercantile Bank of Canada	Loss	nil	nil	nil	nil

Notes to columns:

(1) Net profits after appropriations to contingency reserves, provision for depreciation and for income taxes

(2) Includes provision for foreign income taxes in some cases. Does not include taxes on retransfers deducted from inner reserves.

(3) Paid-up capital at fiscal year ends.

(3-a) As the undivided profits and rest accounts of the banks represent undistributed profits and monies paid in by shareholders, a more accurate picture is given by showing profits as a percentage of the shareholders equity at fiscal year ends.

Questions

ALCOHOLIC BEVERAGE CONSUMPTION

Question No. 192—**Mr. Knowles:**

What was the total consumption (or apparent consumption) in gallons, in Canada, of (a) beer; (b) wines; (c) spirits, in (i) 1950; (ii) 1951; (iii) 1952; (iv) 1954; (v) 1955?

Answer by: **Mr. Howe (Port Arthur):**

Apparent consumption of alcoholic beverages in Canada.

Fiscal years ended March 31	Spirits* (Pf. Gal.)	Beer* (Gal.)	Wines* (Gal.)
1950	6,969,898	181,442,510	4,894,649
1951	8,030,052	178,270,724	5,200,300
1952	7,614,185	188,749,469	5,163,719
1954	9,390,851	210,673,643	5,521,263
1955	9,292,154	209,625,582	5,862,551

* Includes net imports.

POWER INVESTIGATIONS, NOVA SCOTIA

Question No. 207—**Mr. Purdy:**

Would the carrying out of the full scale investigation of the power possibilities of Minas basin and Cobequid bay, presently being advocated in and on behalf of the province of Nova Scotia, come within the type of proposals which might be referred to the federal government for assistance in accordance with the discussions at the federal-provincial conference on October, 1955?

Answer by: **Mr. Lesage:**

This is a hypothetical question as no such request has been received from the government of the province of Nova Scotia.

HOUSE OF COMMONS

Friday, March 2, 1956

The house met at eleven o'clock.

ATOMIC ENERGY

URANIUM—ANNOUNCEMENT OF MODIFICATIONS IN GOVERNMENT PURCHASING POLICY

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, on August 3, 1955, I made an announcement with respect to the government's purchasing policy for uranium. In that announcement I stated that, while Eldorado Mining and Refining Limited, the government procurement agent, has a commitment to purchase all acceptable uranium concentrates which are offered under the published price schedule up to March 31, 1962, Eldorado has no commitment to purchase all uranium which is offered at prices higher than those contained in the published price schedule. In the circumstances, it seemed desirable that the mining industry and the public should be informed as to the future policy with respect to purchases under the special price arrangement. I stated that uranium purchased under the special price arrangement was being supplied to the United States atomic energy commission, and that there was a limit on the amount of uranium which would be so purchased. Since it was not possible for security reasons to express this limitation in terms of quantity, it was decided, as an alternative, that Eldorado would not negotiate contracts after March 31, 1956, and that such contracts would not be negotiated unless there was satisfactory evidence that production could commence not later than April 1, 1957.

It has now been decided to modify these arrangements as follows:

Eldorado will continue to receive applications for special price contracts up to and including March 31, 1956. On or shortly after that date Eldorado will notify those applicants which are considered to be eligible for the negotiation of contracts. In making the selection of eligible applicants, the following criteria will be used. First, there must be satisfactory evidence that the applicant has an economic ore body and, second, there must be definite assurance that the property can be brought into production not later than September 30, 1957. There will be no change in the present provision regarding deliveries. Deliveries under all contracts must be completed by March 31, 1962.

These modifications have been adopted because it has become quite evident in recent weeks that certain of the properties which were considered to be potential producers last August will not be able to meet the production deadline of April 1, 1957. Consequently, it is not anticipated that the total quantity of uranium which will be produced under the special price arrangement, by reason of the extension of the production deadline from April 1, 1957 to September 30, 1957, will be greatly in excess of the quantity which it was estimated might be purchased when the original production deadline of April 1, 1957, was established.

In my announcement of August 3, 1955, I also stated that the government would take under consideration the establishment of policy covering the sale of uranium which might be surplus to Canada's requirements and the commitments entered into with the United States atomic energy commission. Because of the war potential of uranium, the government must establish its export policy with due regard to security provisions. This is one of the reasons that Canada is taking an active part in the discussions of the draft statute for an international agency for atomic energy, which are now under way in Washington. It is considered advisable that any announcement as regards the establishment of export policy should await the outcome of these discussions.

Mr. Howard C. Green (Vancouver-Quadra): May I ask the minister a question arising out of his statement. I noticed that he mentioned deadlines in 1957 and in 1958.

Mr. Howe (Port Arthur): No, 1956 and 1957.

Mr. Green: I thought he said extending one deadline to 1957 and the other to 1958.

Mr. Howe (Port Arthur): No, the deadline for receiving applications is March 31, 1956, and the deadline for beginning production is September 30, 1957.

Mr. Green: Does that mean, in effect, it is the policy for the period of a year?

Uranium—Purchasing Policy

Mr. Howe (Port Arthur): This is the only policy we have.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Would the Minister of Trade and Commerce, in view of his announcement today regarding uranium, be prepared to say that that means in effect, with the amount of uranium already on hand in stockpiles and the expected production of the mines that will give notice, that they will have until a certain date to give notice and that beyond that it is not expected that any further extension in the production of uranium will be necessary to meet demands in the immediate future?

Mr. Howe (Port Arthur): That was not the nature of my announcement. I said that Eldorado Mining and Refining Limited would take delivery of uranium up to 1962 at the published price of uranium, which has been in effect for some years.

Mr. Diefenbaker: But does that mean—

Some hon. Members: Order.

Mr. Diefenbaker: I should like even a "yes" or "no" answer as abrupt as the one a moment ago. Does this mean that in the expected production in the future, of those mines now in existence and those that will give notice up till the 31st of March, all the needs for uranium production in Canada will have been met?

Mr. Howe (Port Arthur): That I cannot say. The bulk of the uranium under contract goes to the atomic energy commission of the United States. When the contracts are completed, the contracts that are filed before the 31st of March this year and approved by Canada and by the atomic energy commission we are informed that the foreseeable needs of the atomic energy commission of the United States for uranium from Canada will have been fulfilled.

COMMITTEE ON ESTIMATES

PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the following members: Messrs. Blair, Byrne, Cameron (Nanaimo), Cannon, Decore, Deschatelets, Dupuis, Fleming, Garland, Gauthier (Nickel Belt), Hees, Henry, Jutras, Martin, MacEachen, Macnaughton, McLeod, Power (St. John's West), Robertson, Starr, Stewart (Winnipeg North), Stuart (Charlotte), Thatcher, Trainor, Tucker and Yuill, shall constitute the membership of the special committee on estimates, as provided by the resolution passed by the house on February 29, and that standing order No. 67 be suspended in connection therewith.

Mr. Speaker: Do hon. members wish me to read the names?

[Mr. Green.]

Some hon. Members: Dispense.

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

Motion agreed to.

SPORTS

OLYMPIC TRIALS—REQUEST FOR FINANCIAL ASSISTANCE

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Prime Minister. Can he say whether or not he has received a request from the committee in charge for financial assistance for the Canadian Olympic trials to be held in Hamilton this year?

Right Hon. L. S. St. Laurent (Prime Minister): No such request has recently come to my attention. I will take the hon. lady's question as notice and I will make sure whether or not there has been at any time a request received.

POST OFFICE DEPARTMENT

HAMILTON—REQUEST BY LETTER CARRIERS FOR INVESTIGATION OF CONDITIONS

On the orders of the day:

Mr. Claude Ellis (Regina City): Has the Postmaster General received a request from the Hamilton branch of the federated association of letter carriers for an independent board to investigate labour conditions in the Hamilton post office? If so, can the Postmaster General assure the house if such a board will be set up?

Hon. Hugues Lapointe (Postmaster General): A few weeks ago I did receive—I believe it was around the 10th or 12th of February—a telegram from this association asking for the setting up of such a board. The request followed the suspension of one particular employee in the Hamilton post office. Upon receipt of this telegram, I sent senior officers of the department to investigate this particular case and upon receiving their report I came to the conclusion the setting up of such a board was not warranted.

QUEBEC SOUTH—INQUIRY REGARDING SITE OF PROPOSED POST OFFICE

On the orders of the day:

Mr. Frank G. Power (Quebec South): Mr. Speaker, may I address a question to the Minister of Public Works? Has the minister now received a resolution from the city of Quebec regarding the site of the proposed post office in the constituency of Quebec

South? If so, what is the nature of the resolution and what action, if any, is contemplated by the minister?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I have now received a letter from the city clerk of Quebec, enclosing two resolutions, both signed by the city clerk. One is a resolution of the conseil de ville and the other is a resolution of the comite administratif.

Both resolutions express objection to the site that has been chosen on Henderson street for the construction of a new postal building.

In selecting this site and developing our plans we have worked in close and friendly co-operation with the city authorities. The site has been acquired and cleared and plans are at the stage where we are ready to invite tenders for the foundation. Any change of site now would involve considerable delay and probably additional expense in getting this building under way.

I have informed the mayor that if the city council and the citizens of the city of Quebec are willing to have this project deferred, we will be prepared to receive any representations he may care to make and to participate in discussions with respect to an alternative site which it is presumed the city would arrange to make available in exchange for the one we now own and on which we are ready to build.

EXTERNAL AFFAIRS

WEST GERMANY—REPUDIATION OF LIABILITY FOR OCCUPATION TROOPS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs. Would he be prepared to tell the house the attitude the government is taking regarding the expected repudiation by West Germany of its liability for occupation troops? And in respect of the Canadian troops stationed in West Germany, what are the hopes of the present conference that is taking place between certain NATO countries and West Germany towards altering West Germany's expected stand in this regard? Would the minister also say how much more will have to be paid by Canada with respect to the occupation troops during the coming year if Germany persists in the stand?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the hon. member has raised a very important question on which I may be able to make a statement a little later when the discussions with the government of the Federal Republic of Germany, to which he has referred, have proceeded a little farther. Meanwhile, I should say at once that no repudiation of the type which he has indicated is anticipated on the part of the government of the Federal Republic of Germany in respect of obligations which it has assumed. But I hope I shall be able to amplify this reply a little later.

ORGANIZATION OF EUROPEAN ECONOMIC CO-OPERATION—ALLEGED OFFER OF ATOMIC MATERIALS BY CANADA

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, yesterday the hon. member for Prince Albert asked about a reported offer of atomic materials by Canada to European countries. The short answer to the first question is: no such specific offer was made by our representative who was attending as an associate member the meeting of the OEEC council now taking place in Paris. However, Mr. Speaker, this meeting of the OEEC council did consider and approve a report setting out proposals for co-operation among the member countries in the development of nuclear energy. Our representative, having regard to the fact that many of the European countries concerned do not possess supplies of uranium, mentioned in his statement that Canada is an important producer of this material and would welcome the opportunity to market uranium within a suitable international framework.

Mr. Diefenbaker: Mr. Speaker, would the hon. gentleman give some indication of the type of agreement that Canada is supporting in order to maintain security and at the same time provide a market for uranium?

Mr. Pearson: Well, Mr. Speaker, a suitable international framework will have to make provision for the kind of security that my hon. friend has mentioned; and, as my colleague the Minister of Trade and Commerce has just said, discussions are now proceeding in Washington with a view to working out a statute for an international atomic energy agency which was approved in principle at the last United Nations assembly. That statute, I am quite sure, will contain appropriate provisions for security to be adopted by those taking part in these discussions.

Mr. Green: May I ask the Minister of Trade and Commerce or the Secretary of State for External Affairs whether Canada has in contemplation any plan for the sale or lease of uranium to the "have-not" nations similar to the plan announced by the President of the United States?

Inquiries of the Ministry

Mr. Pearson: Mr. Speaker, the plan announced by the President of the United States was to make available by sale or by lease uranium 235, a material which is not produced in this country at all. But provisions for the sale of uranium to all friendly countries, "have" or "have-not", is one of the things that will be discussed by those taking part in the conference in Washington to work out an international atomic energy agency which would, among other things, deal with this question.

PRINCESS MARGARET

INQUIRY AS TO VISIT TO CANADA

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Prime Minister whether Canada may hope this year to have the honour of a visit from Her Royal Highness Princess Margaret?

Right Hon. L. S. St. Laurent (Prime Minister): I have heard of no plans for a visit of Her Royal Highness to Canada this year.

FINANCE

REFERENCE TO CREDIT OF BANK OF CANADA

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask the Minister of Finance (Mr. Harris) whether the credit policy made public by the governor of the Bank of Canada last night might have the result of curtailing construction and other activities, and whether such a policy is advisable in view of the present substantial unemployment?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the governor of the Bank of Canada is expecting to come before the banking and commerce committee for the purpose of discussing the annual report and I presume this particular aspect of their activities last year will be included in the discussion and my hon. friend will be able to ask him that question.

HOUSING

SUBSTANDARD HOUSES RENTED BY GOVERNMENT AGENCIES

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, may I direct a question to the Minister of Public Works. Can the minister tell the house whether any steps are being taken by the government to ascertain whether the federal district commission or any other government agency or any government department is still renting any substandard houses such as the one owned by the federal district commission and declared to be a firetrap by the Ontario fire marshal, in which five children were burned to death on January 11?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, a copy of this question has just now been handed to me and I have therefore not had an opportunity to look into the details of this particular aspect of the disastrous fire but I cannot imagine that the government owns and rents many such dwellings. The only basis on which I think they would be acquired would be under expropriation proceedings and where there are already people living in the houses but where it is the intention to have the property used at the earliest possible date for the purpose for which it was expropriated. In the meantime there are always short periods during which the tenants of the houses are allowed to remain before they are asked to vacate.

I should imagine those are the circumstances, and I assure my hon. friend that it is not the government's intention to have people continue long in occupancy in premises such as those.

LIMITED DIVIDEND HOUSING PROJECTS— CONTINUATION OF POLICY

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Public Works (Mr. Winters). Is it the intention of Central Mortgage and Housing Corporation to continue making repayable loans in respect to limited accommodation for single aged persons in hostels beyond June 30, 1956?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I know of no change in policy there. I think the hon. member is aware of the formula that applies across the country, and has had particular application in Saskatchewan, which provides for a certain number of units for single accommodation in limited dividend housing projects.

[*Later:*]

Mr. Bryson: I should like to ask a supplementary question of the Minister of Public Works arising out of the answer he gave to my question a moment ago. Why has June 30, 1956, been advanced as the cut-off date for applications to the Central Mortgage and Housing Corporation for hostel type accommodation?

Mr. Winters: I do not know at the moment. I shall have to find out.

ST. LAWRENCE SEAWAY

EXPROPRIATION OF PART OF CAUGHNAWAGA INDIAN RESERVE

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, yesterday the hon. member for Yorkton (Mr. Castleden) inquired as to the amount of the settlement which the St. Lawrence seaway authority has agreed to pay as compensation for the property expropriated from the Caughnawaga Indian reserve.

In reply to this question, I wish to say that so far no agreement has been reached as to the compensation to be paid.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to ask a supplementary question. Is the negotiation being carried on between the department and the Indian band, or is the negotiation between the minister himself and the Department of Citizenship and Immigration?

Mr. Marler: Mr. Speaker, negotiations are being carried on by the authority with the Department of Citizenship and Immigration.

TRADE

RUSSIA—INQUIRY AS TO MATERIALS COVERED BY TRADE AGREEMENT

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, will the Minister of Trade and Commerce tell hon. members of the House of Commons what goods or materials will be sent to Canada by Russia under the favoured nation agreement announced in this house the day before yesterday?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I answered the same question a few days ago. I said that my crystal ball was out on loan and I had not the faintest idea of the answer to the question.

Mr. Knowles: Who has it?

Mr. Drew: Mr. Speaker, I think it would be appropriate if we got answers that were not intended to be smart like that one. The answer that was given was not the answer that I asked for. The answer that was given was in regard to a question relating to the dollar value and it was then that the Minister of Trade and Commerce showed reluctance to estimate the amount. I believe that this house is entitled to know what goods and supplies are contemplated as a likely exchange for the wheat which it has been said would be sent to Russia.

Mr. Howe (Port Arthur): Mr. Speaker, the exchange of wheat is an exchange of wheat for dollars. What Russia will be able to sell here is something that I suppose she is as doubtful about as we are. There has never been a large trade between Canada and Russia and I do not know what Russia will succeed in selling here. I am unable to mention anyone who might know; I do not think anyone knows.

Mr. Drew: Will the right hon. Minister of Trade and Commerce say that in the three weeks of discussion which took place here there was no discussion as to the goods and supplies that would be sent from Russia to Canada?

Mr. Howe (Port Arthur): I did not hear any discussion along that line.

Mr. Drew: That is not the question.

Mr. Howe (Port Arthur): I did not attend the meetings and no such discussion was reported to me. The only imports that we have obtained are certain furs which are not produced in Canada and a certain amount of manganese. There may be other commodities which Canadians will find it desirable to buy, but I do not know what they are.

Mr. Drew: Will the right hon. Minister of Trade and Commerce say that the Russian trade representatives who were here asked no questions in regard to the goods or materials which we might be inclined to buy under a trade arrangement of this kind?

Mr. Howe (Port Arthur): They certainly asked no questions of me. They are well aware that this government does not buy anything. This is a free enterprise market and I think they are well aware of the fact that their ability to sell here will depend on the price and quality of their goods and their salesmanship.

Mr. Drew: Mr. Speaker, will the right hon. Minister of Trade and Commerce assure this house that the officials to whom he entrusted the negotiations did not discuss with the Russian trade representatives the goods and supplies which it might be expected Russia would send to this country under the favoured nation agreement?

Mr. Howe (Port Arthur): Mr. Speaker, any discussions which the officials may have had with the Russians were without authority from me. Whether there were discussions or not, I do not know. If I did know I would gladly tell my hon. friend, but unfortunately I do not know.

Mr. Drew: Mr. Speaker, may I ask the right hon. Minister of Trade and Commerce if he

will make appropriate inquiries from his officials to inform himself so that he may tell hon. members of this house?

Mr. Howe (Port Arthur): The answer is no.

Mr. M. J. Coldwell (Rosetown-Biggar): Am I to understand that the wheat will be paid for?

Mr. Howe (Port Arthur): Yes, in dollars.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I was just going to ask the same thing. Did I understand the minister to say the other day that the trade agreement would be brought before this house for discussion? When that is done, will the house resolve itself into committee of the whole or will the agreement be sent to the banking and commerce committee? If that is so, then an opportunity will be given later for a full discussion in respect to the questions which have just been asked?

Mr. Howe (Port Arthur): A motion providing for the approval of the agreement will be put on the order paper. The disposition of that resolution will be, I suppose, considered by the leader of the house and by hon. members.

WHEAT—INQUIRY AS TO DELIVERIES TO RUSSIA

On the orders of the day:

Mr. H. R. Argue (Assiniboia): May I ask the Minister of Trade and Commerce how soon he feels deliveries of wheat and exports of wheat can be made to Russia, following the signing of this very welcome agreement, and whether exports can take place quickly after it has been agreed to by parliament?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I understand that negotiations are in progress for the purchase by Russia of 400,000 tons of wheat, and I understand that the purchase arrangements provide that the ships will be furnished by Russia. I understand that the wheat will move as soon as Russia can arrange for the transportation of the wheat. I expect that sales will be completed within a very few days.

PUBLIC SERVICE

EXTENSION OF FIVE DAY WEEK TO ALL CATEGORIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance, arising out of the statement made on Wednesday by the parliamentary assistant to the Minister of National Defence in response to a starred question standing in my name? Is the extension of the five day week to further categories of government employees, and eventually to all categories, under review? If so, will any such extension be made in the near future?

Hon. W. E. Harris (Minister of Finance): The civil service federation, in its presentation to the government last fall, did advocate a course of gradual adoption of the five day week, and we are considering it along with all the other representations that it made.

BUSINESS OF THE HOUSE

INQUIRY AS TO MEETING OF PUBLIC ACCOUNTS COMMITTEE

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. Now that the chairman of the public accounts committee has been appointed, will the government take appropriate steps to arrange for the calling together of the public accounts committee as soon as possible?

Right Hon. L. S. St. Laurent (Prime Minister): That is a matter for the house and the committee. The committee has been established. It has now been organized, and I would expect that the chairman would give notice at an early date for a meeting of the committee.

Mr. Drew: I feel sure he would welcome a suggestion from the Prime Minister as to the speed with which he should do so.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF FISHERIES

General services—

135. Departmental administration, $301,000.

Mr. Sinclair: Mr. Chairman, in the last two years when I reported on item 1 of my estimates I gave quite lengthy reports on both the functions and the activities of each of the branches of the department. I think it will be unnecessary today to cover most of that ground again, so I will confine my remarks today to the developments of significance during the last year in the fishing industry in Canada. Naturally the most important

things to the fishermen of the country are the size of the catches and the price they receive for those catches.

Therefore I will start, as I did in other years, with a short review of catch and market value and then offer the committee these short tables showing this year's catch and markets compared to last year's. In our salmon fishery on the west coast we had a disappointing year because last year was one of the low years in the four-year sockeye salmon cycle. However, that was more than compensated for by very large runs of pink salmon. The salmon situation as far as a market is concerned is a satisfactory one. As a matter of fact, the whole fish market situation at the present time is quite satisfactory. We have no surpluses, and in the case of canned salmon I believe the operators are actually allocating salmon to their customers.

The herring catch this winter on the west coast is now over 200,000 tons, one of the greatest catches in our history, and will probably finish by being the record of all time. Halibut on the west coast fell in price. A year ago we had the greatest catch in our history and that did have a softening effect on the market price. On the east coast the distinguishing activity has been the continued transition in the cod industry away from salt cod towards fresh and frozen products for the United States and Canadian markets, a very healthy development. As far as salt cod is concerned, markets are good and all stocks on hand will be disposed of by the end of the market year.

The other great fishery of the east coast is, of course, the lobster fishery. It is a very closely regulated catch but we are happy to report very high prices compared to earlier years, and that industry is in good condition. I have tables that I have put on the record in other years, first of all a weekly summary which we prepare showing prices of the principal fish in the various fishing areas and the prices of those fish a year ago. This table shows that in almost every species there is a measurable increase in price at the present time over conditions a year ago.

The second table is a summary of the landings of the principal fisheries in pounds in Canada, by species and by areas. The third table is the landed value, that is, the proceeds to the fishermen of these catches. The fourth and fifth tables describe exports to countries and the type of exports to those countries. If the committee is interested and I have their permission I should like to have these tables inserted in the record.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Sinclair: The tables are as follows:

Department of Fisheries
Weekly Prices Received by Fishermen
1956

Atlantic Coast	Current Week to February 18	Corresponding Week last year to February 19
Cod (market)		
Halifax (offshore price)	3½	3¼
North Sydney	(1)	(1)
St. John's, Nfld. (steak & market, offshore)	2¼	2¼
Haddock (large)		
Yarmouth	6	5½
Halifax (offshore price)	5½	5
North Sydney	(1)	(1)
Ramea, Nfld.	2¾	3¼
Rosefish		
Louisbourg (offshore price)	–	2¼-2½
Halifax (offshore price)	2½	2½
Ramea, Nfld. (offshore price)	2¼	2
Plaice		
Halifax	3½	3
Ramea, Nfld.	2¾	2¾
Sardine-Herring		
Black's Harbour	2½	2½
Lobsters (market)		
Yarmouth	70	60
Grand Manan	65-70	(1)
Scallops		
Digby	50	48
Smelts		
Richibucto	8	7
Chatham	10	(1)
Summerside	8	10

(1) No reports.

Pacific Coast
1956

Pacific Coast	Current Week to February 18	Corresponding Week last year to February 19
Salmon (Redspring)		
Vancouver (dressed)	38	35
New Westminster (round)	(1)	30
(Whitespring)		
Vancouver (dressed)	25	25
New Westminster (round)	(1)	20
Herring (fresh)		
Vancouver	–	–
Soles (for freezing or fresh)		
Vancouver	6-8	8
Prince Rupert (Lemon & Rock)	3-3¾	3½
New Westminster	(1)	8
Ling Cod (dressed, head off)		
Vancouver	–	–
Prince Rupert	4	4
Gray Cod (dressed, head on)		
Vancouver	5	5
Prince Rupert	2¾	2
New Westminster	(1)	5

(1) No report.

Supply—Fisheries

Landings

	1955	1954
	(million lbs.)	
All Canada	1,747	1,944
British Columbia	493	600
of which:		
Salmon	129	178
Herring	305	361
Halibut	19	25
Maritimes and Quebec	720	698
of which:		
Groundfish	432	399
Lobsters	44	41
Herring	157	144
Sardines	11	33
Newfoundland	535	626
of which:		
Groundfish	499	538
Lobster	5	5

Landed Value

	1955	1954
	($ 000)	
All Canada	77,599	85,949
British Columbia	28,200	35,264
of which:		
Salmon	18,342	23,579
Herring	4,170	4,565
Halibut	2,469	3,984
Maritimes and Quebec	35,872	35,011
of which:		
Groundfish	13,272	12,940
Lobsters	15,160	14,222
Herring	1,414	1,559
Sardines	241	679
Newfoundland	13,527	15,674
of which:		
Groundfish	10,368	12,212
Lobster	1,353	1,331

EXPORTS OF FISHERY PRODUCTS

	1955	1954
	($ 000)	
TOTAL	128,843	132,651
By Forms:		
Fresh and Frozen	73,523	71,952
of which:		
Pacific Salmon	5,736	7,185
Pacific Halibut	2,956	3,892
Atlantic Cod Fillets	9,821	9,071
Atlantic Haddock Fillets	6,088	4,894
Atlantic Lobsters	16,714	13,697
Freshwater, dressed	12,497	12,830
Canned	20,200	27,835
of which:		
Pacific Salmon	16,238	23,965
Atlantic Sardines	1,667	1,585
Atlantic Lobsters	1,843	1,921
Salted	19,109	18,299
By Markets		
United States	91,975	90,072
Caribbean Area	17,171	15,957
European	14,829	21,250
Other	4,868	5,372

Output of Specified Products

		1955	1954
Pacific Canned Salmon	000 cases	1,365	1,743
Pacific Herring Meal	tons	27,510	31,065
Atlantic Groundfish Fillets	000 lbs.	102,959	97,419
Atlantic Groundfish Blocks	000 lbs.	44,880	33,419
Fish Sticks	000 lbs.	5,190	1,880
Lobster, Frozen Meat	000 lbs.	3,642	2,457
In shell	000 lbs.	28,920	27,306
Canned	cases	26,080	40,492
Cod, Salted (wet salt basis)	000 lbs.	184,584	244,053
of which:			
Newfoundland	000 lbs.	138,064	205,954
Maritimes and Quebec	000 lbs.	46,520	38,099

The domestic consumption of fish is slowly rising. I think that is due partly to the efforts of the industry and our own department to make known the advantages of fish as a food and also to the improvement both of transportation facilities and cold storage facilities across this country. Last year saw a substantial increase in the number of cold storage units which is, of course, a help to the fishing industry. Because of the condition of the industry it was not necessary to apply price support to any phase of the Canadian fishing industry last year.

On the east coast we did introduce last year a salt subsidy as a measure of encouragement to those fishermen who are engaged in the salt cod industry. It has worked out quite well and it has been, of course, of maximum aid to the fishermen in the more remote parts of the Atlantic provinces. On the west coast there is a problem which is now under consideration to improve the position of the fishermen, and that is the matter of the very great number of dogfish present in the west coast waters. These are small fish of the shark family which have a great nuisance value as predators of other fish. During wartime their livers were valuable as a source of vitamin oils. Fishermen could make money fishing dogfish just for their livers, and that kept down the number of these predators. But since the war the price of liver oil has declined because of the development of much cheaper synthetic vitamins, and on the whole it is no longer economic for the fishermen to fish dogfish in the off seasons for their livers.

A year ago the fishermen's union out west asked me whether we would pay a floor price for dogfish carcasses to be made into fish meal for which there is a reasonable market. Dogfish is not as good a source of fish meal as herring or whale, but we had an experiment conducted last year by one of the fish plants to see if dogfish could be used, and the fisheries prices support board has conducted a further study this winter. They have now assembled their information and it looks as though at least 50,000 tons of dogfish a year could be taken on the west coast in the off season. The ordinary herring reduction

[Mr. Sinclair.]

plant is not quite fitted perhaps to process dogfish, but the whaling plant on the west coast and other plants, with some modifications, probably could. That matter will be discussed by the fisheries prices support board at their meeting this month.

Since we last met the Fisheries Improvement Loans Act which was passed by this parliament, has been proclaimed and the first loans have been made under it. As I predicted last year from the experience we had gained with the Farm Improvement Loans Act, the initial number of applications and approvals is small. The Farm Improvement Loans Act took at least a year or two to get really under way, but I think that the fishermen of the country are appreciative of this new source of credit through government-guaranteed loans.

Our country is one of the major fishing countries of the world, and we are particularly blessed with rich fisheries on our coasts. Some of these fisheries, lie beyond our own territorial waters, and over the years we have devised a number of very excellent international commissions to control and conserve these high-seas fisheries off our coasts. We have treaties now covering the northwest Atlantic, which includes the ten nations that fish the northwest Atlantic. We have treaties on the Pacific, the north Pacific, Japan, the United States and ourselves, and also the international salmon commission and the international halibut commission. We have the international whaling commission covering the 17 nations of the world which have whaling operations.

I think that the work of two or three of these commissions is very important this year. The first is the commission which has just been established to conserve the fisheries of the great lakes and to proceed with the extermination of the parasite sea lamprey there. Parliament approved the convention last year and we appointed our commissioners last fall. The Americans have only recently appointed their commissioners and the commission will have its first formal meeting some time late this month or early in April. We of course have not awaited the actual setting up of the commission to start work on the extermination of the lamprey. Two years ago we made our first appropriation of about $165,000. Last year we raised that to $330,000. There were a number of members from Ontario who suggested that this should be still more, but at that time I explained that money was not the limiting factor, it was our ability to secure the scientists and equipment for this lamprey control work.

We had a very good season last year in this work, and you will see in your estimates this year that the amount has been increased by $130,000 over last year's appropriation. We think we can find the staff to carry out extended work. There has been one interesting development during the course of the year, the development of a poison which seems to be quite effective in destroying the larvae stage of the lamprey during the four years that they are buried in the mud. If that works out successfully it will speed up a great deal our program for the extermination of the lamprey. All Ontario members from the great lakes area have been keen on this but the hon. member for Lambton West (Mr. Murphy) has spoken about it on several occasions. Actually he is away today with our films and our lamprey specimens addressing a game club on this problem. As a result of that, when we come to item 152 I propose to have it stand until some time later in the month when he will be here so he can speak on it.

The next commission in which hon. members have a special interest this year is the international Pacific salmon commission. This commission was formed by Canada and the United States and controls the great sockeye fishery of the Fraser river. This is the weakest year of the four-year cycle of the sockeye salmon, and as a consequence the salmon commission, at their recent meeting on the west coast, approved the most stringent control regulations which they have yet asked us to implement. They point out that not only is this the weakest of the four-year cycle years, but they also point to the very great improvement in the fishing efficiency of both the Canadian and United States salmon fleet, with the most modern of boats, nylon nets, drum seines, power blocks and all these other improvements.

One of the proposals made by the salmon commission, and one which was mentioned in a question earlier this session by the hon. member for Esquimalt-Saanich (Mr. Pearkes), was the proposal that all fishing be stopped in outside Canadian waters. It is only in recent years that we have actually begun to fish those waters. Before the sockeye would swing around the end of Vancouver island into the strait of Juan de Fuca, where the United States fishermen would get their half of the fish. The sockeye would then go into the gulf of Georgia and up the Fraser river where our fishermen would get their half of the fish. In recent years, especially since the last war, we have encouraged the fishermen to get out to sea and establish historic rights on the high sea fishery, and also to put us in a little better position. In the past, we got the second half of the fish.

The salmon commission has been extraordinarily successful in dividing the catch. I think there was a difference of less than a fraction of one per cent over the last 10 years. Nevertheless, we were always in a position of getting the second half of the fish. I though it would be much better if we had the first crack, then the United States got their share and we topped off by fishing in the second Canadian water. So far as the other four species of salmon are concerned, which are not covered by this commission, the outside fishing is most important. Unless we fish out there the United States fishermen get the first crack at these fish as they pass Puget sound on their way to the Fraser river. It was for that reason that two years ago I encouraged the fishing industry to bring in 15 big deep sea seiners so we could build up our share of this fishery in outside waters. It is for this reason that the suggested closing of these waters is of particular importance to the Canadian fishing industry.

This proposal, I am informed by my legal advisers, is in direct contravention of the commission treaty which was approved by this house in 1937. Article 4 of the treaty says that if any of the Canadian waters are to be closed, all the Canadian waters are to be closed; if any of the United States waters are to be closed, all the United States waters are to be closed. It is quite true that over the years there may have been minor variations in that we did agree upon closing inside areas for week end closures of different lengths, but never have we agreed, in violation of the treaty, to a complete closure of a very important Canadian fishing area. I have, therefore, written the chairman of the international commission telling him, first of all, that this is in contravention of the treaty approved by this parliament, and while I have the power as Minister of Fisheries under the Fisheries Act to order such a closure, I was not given the power by this parliament to exercise it under the terms of the international Pacific salmon convention. I have asked him, therefore, to reconsider the proposal and see whether the same conservation results can be achieved without this precedent of completely closing an important Canadian area, an area which is of very great importance to us in other fisheries as well as in the sockeye salmon fishery at the moment.

I told the chairman that the Canadian people are most appreciative of the magnificent job the commission has done in re-establishing this great fishery. I said that if, over the years the commission has found from its experience that certain articles of the convention are hampering its work, then we in this parliament certainly would be very glad to hear its recommendation for change, and that would be the proper way to do it.

One other important issue in connection with the Fraser river is this matter of fish and power. The Fraser river salmon fishery is the most important single fishery in Canada. It is the greatest single salmon fishery in the world. The landed value and the market value of this one fishery exceeds the landed and market value of all the cod, for example, on the east coast or of all the lobsters on the east coast. It has been saved, as I said, by the very wise management of these scientists and the administrators of the international salmon commission. The present average market value is about $25 million. The salmon commission feels quite confident that within the foreseeable future they can double that to $50 million a year. Of course, that is welcome news to the fishing industry of British Columbia.

On the other hand our province—when I say "our province" I am of course a British Columbia member—is growing at an extraordinary rate, especially in the development of industry. Industry in this country is always hungry for power. In British Columbia we have both public power and private power and those agencies have, since the war, engaged in a great program of expansion. I think, for example, that our province was the only province which did not have brownouts or blackouts because our public and private power agencies were able to keep ahead of the times.

Now the point has been reached when they are beginning to look towards the Fraser river in their search for more sources of power. This, of course, has alarmed the fishing industry. There are two general proposals. One is that 10 low level dams could be constructed, four on the lower Fraser and six on the Thompson, which would be capable of a very large production of power but which, in the opinion of the fishing industry, would do practically irreparable damage to that industry. The other suggestion is for one very high level dam, a dam of over 700 feet, on the main stem of the Fraser. The position taken by the fishing industry and the Department of Fisheries on this matter is a very simple one. We feel, first of all, that every non-salmon stream in the province should be developed for power before a salmon stream is touched. In that respect we feel that, before the Fraser is touched, that part of the Columbia river in Canada should be exploited to the full. At one time the Columbia was a great salmon stream but the construction in the United States of six big dams impaired the fishery and the construction of the enormous Grand Coulee dam

ended all movement of salmon above that dam into Canadian waters.

At Mica creek on the Columbia there is a possibility of tremendous power developments. A year ago some power people were saying that Mica creek was too far from Vancouver and Victoria, from the industrial area of British Columbia, to be economically possible. Last summer on my way to Russia I stopped off at Norway and Sweden to see the fisheries people there, and I was especially interested to find that in Sweden they ship power 600 miles from northern Sweden down to the industrial area around Stockholm. The distance from Mica creek to Vancouver is around 300 miles. It is true they use different techniques in Sweden, very high voltage, 800,000 volts, and a different type of conductor, bundle conductors; but there is no reason why exactly the same technique should not be used in British Columbia to bring Columbia power into the Vancouver area.

The second position of the fishing industry in British Columbia and of our department is that even when the known salmon streams are exhausted there should be no dams built on the Fraser until we have discovered how we can safely pass the adult salmon over the dam on the way to the spawning ground and the more difficult thing of passing the salmon fingerlings down over the dam on the way to the sea. Since this is probably the most important fishing problem which we are going to be confronted with in Canada for the next two or three years, I would like to take a moment or two to tell hon. members from other parts of Canada the essence of the problem.

The five species of west coast salmon, as they enter the river to spawn, stop feeding. Unlike the Atlantic salmon, when they have spawned they die in the river they do not return to the sea. And so these salmon enter the streams in tremendous numbers with this as yet unexplained blind instinct which brings them up back to the little creek in which they themselves were spawned two, four or five years before to spawn and to die.

The sockeye salmon, our most valuable salmon, is the one in which that homing instinct is most developed. It is also the salmon which goes the farthest. Some of these salmon go 700 miles up the tributaries of that great river to find their spawning grounds. These fish live off their bodies during this long and difficult passage, and any delay by a dam or by any other obstacle, by a natural obstacle of a falls or by high water making the speed so great that the salmon cannot breast it, any delay like that means that the salmon has not got enough energy stored in his body to get to the spawning ground in time to spawn. Each of these series of ten dams of course means ten delays, which in this case would result in the greatest of all salmon runs, the Adams river run, a small tributary of the Fraser, being met with these ten delays.

The actual passage of adult fish up over dams is not too difficult. We have had this problem for quite a number of years on both coasts. Dams are getting higher and higher but it is still possible to bring them up. There is another problem which arises, and that is the difference in water temperatures. Instead of having an even flow in the river you have these great storages of water with a limited spill over the dams at certain times; therefore, there is a change in water temperature.

One of the ways in which the salmon does find its way is by constantly breasting the current. Some of these dams will create enormous lakes behind the dams, so even when the adult salmon is up over the dam he is then at a loss. Instead of breasting the strong stream and forging his way on he is lost in a lake in which there is very little current. The other point, of course, is that these great lakes formed behind dams raise the water level in the lower stretch of the flooded area and cover spawning grounds which have been used by the salmon in the past.

As far as the fingerlings are concerned, they of course move in very much greater numbers. They have a much more difficult time. They can either go over the top of the dam or go through the turbines. If they go over the top of the dam damage is done in two ways. Either the fingerling touching the concrete face of the dam gets its very tender skin abraded off, or it dies of shock as it hits the pool at the bottom.

The turbine is another hazard, as one could well expect. The penstocks drawing the water for the turbines will suck the small fish down. They sustain the first damage as they pass through the whirling blades of the turbine as they go through. Much the greater damage, however, is done through the tremendous changes in pressure on the sides of the turbine. A 100-foot penstock has a water pressure of 45 pounds per square inch. On this side the fish is whirled through suddenly, and there is no pressure other than air pressure on the other side. It is like the way in which they make puffed wheat. They put grain under great steam pressure and suddenly release it and the wheat blows out in a puffed form. When that happens to the little fingerling it ruptures the blood vessels and the fingerling dies.

What have we done to study these problems? Our own department has been working

on this problem almost since it was formed. Scientific research has been working on it pretty constantly since 1921. On the United States side the state of Washington, of course, was the most concerned. The United States army engineers have done work on the dams on the Columbia on the United States side. In Norway and in Scotland, where they have runs of Atlantic salmon, they have done quite a bit of work on this, but their problem is very different from ours in that they are dealing with fish whose numbers are in the hundreds and we are dealing with fish whose numbers are in the millions.

Last summer, in Russia, after the whaling commission meetings were over my main interest in getting to Siberia was to see what the Russians had done on this problem. We have not been able to have very much of an exchange of scientific documents with them until the last four or five months, but we knew they had the same problem because they have a great Pacific fishery, of the same types of salmon as we have, along the shores of Siberia, in the Amur river, and Kamchatka. We knew that they had done a great deal of work on electrical fishing, using electricity as a means of fishing, and of electrical pumps for the transportation of fish. But when I got up there I found that part of Siberia still almost a virgin wilderness. There is very little industrial development there, and in the first 1,500 miles of the Amur river there is not a single dam. In the sea of Okhotsk and Kamchatka fisheries there are no dams at all; therefore, the Russians have not had to grapple with this problem yet. In some of their western rivers, the Volga and the Don, they do have the problem of moving up sturgeon and other river fish around their power developments. It is a very different problem because these fish live in the river and feed in the river, so are not destroyed by delays. Their number is small and they are slow-moving fish.

Well, in the last 30 years our department has solved these dam problems as they came up by building fishways and by building fish ladders. The highest dam built so far in British Columbia on a salmon stream is in the Capilano river in my riding, a 350 foot dam. It is too high for any fishway that we had knowledge of. So there we actually trap the fish at the foot of the dam and take them around in tank cars, several miles around the dam, to where the stream enters the back of the lake above the dam, so they can start on their way again. But the problem in the Fraser is a much greater one. In the Capilano, for example, they move about 6,000 fish a day that way. At Bonneville dam on the Columbia the United States army engineers have devised a means which can carry a maximum of 200,000 fish a day. But to get salmon in the Fraser to the head of the spawning streams, our facilities will have to carry at least 750,000 fish a day on the lower Fraser and above the junction of the Thompson half a million in the Thompson, and a quarter of a million a day on the upper main stem of the Fraser.

In the last few years the salmon commission and the two departments of fisheries of Canada and of the state of Washington have conducted a lot of practical experiments. At one high dam, the Baker dam in the state of Washington, a dam of about 100 feet, we found that 70 per cent of the fingerlings going over the top were killed, and 30 per cent of the fingerlings going through the turbines were killed. But over and above that there is a mortality of the fingerlings who survived either the great drop over the dams or the passage through the turbines because, although they are still living when they have got through, they have been damaged and they are not as lively as if they had not had that experience. Because of that they undoubtedly fall prey much more easily to predators in the river, the trout, or the predators in the sea, and therefore the losses are probably even higher than that.

We have done a great deal of work in the matter of the diversion of the fingerlings before they reach the dam. The numbers are probably 50 times as great as the adult salmon going up. As far as the spillways are concerned, we insist on these dams on salmon streams having a smooth surface on the spillway face so abrasion is cut to a minimum. Instead of having the fish hurled down into the pools, all the new dams have a lip at the foot like a ski-jump, so the fish are carried up in a spray before dropping into the pool at the base.

On the Capilano dam we do more than that. We had a serrated edge put into the base so the ski-jump effect goes off in different levels, but even then the mortality is still high. As far as the penstocks are concerned, that can be solved with very high dams. The fingerlings are mostly in the top 100 feet of the river or lake and are very seldom below 200 feet, so if you put the turbine penstocks more than 200 feet down the fingerlings will not be drawn through the turbines.

On our rivers, we have tried in many ways to divert the fingerlings just as they come down the stream before entering the pool above the dam. We have tried screens and light, we have tried air bubbles, we have tried electrical impulses, we have tried electrical fields and we have tried a curtain of chain

which seems to be the best at the moment. We have also tried scent, both the scent of seals and human scent from which the little fish are instinctively turned away, and we have also tried colours. Some of these things have been quite successful in the lab but when you transfer these experiments from the lab to a river such as the Fraser, none of these things are strong enough to withstand the surging current carrying logs and roots which sweep away any type of barrier.

Another problem is to divert enough water to the sides of the lake to carry the fingerlings. There are proposed 10 dams of less than 100 feet in the Fraser. Our officials say this means the end of the salmon run in this part of the river. There will be ten delays on the fish getting up to the Adams river, for example. If the mortality of fingerlings coming downstream is just 50 per cent for each dam, that mortality is a geometric progression. With ten dams and a 50 per cent mortality it means you have a one thousand and twenty fourth part of your fingerling salmon at the end of the last dam, and that ends the fishery. These dams would have to handle five species of salmon and these species have different migration periods. Since the dams are all less than 100 feet we will have a mortality from suction through the turbines as well as death from going over the top of the dams.

I understand that the power company most interested in the Fraser now proposes to build just one low level dam on the Fraser which will carry them along until such time as the Columbia power can be brought down.

The Moran dam is a very different problem. It will be one of the highest in the world, over 700 feet high. There will be no penstock trouble because they can be situated below where the fingerlings are. The problem is how to get the migrant fingerlings down the 700 foot drop. The engineers are suggesting a lip just below the spillway to divert the fish down the side by tubes, but it will take a long gradient, otherwise the fish will go down just the same as over the top.

The other difficulty at the Moran dam is the enormous lake which will be created behind it. I have read it will be 164 miles long, so the salmon which gets over the dam instead of encountering the river current will be lost in the lack of current in an enormous lake. This lake will also mean the flooding of many spawning beds.

What are we doing about it? We are stepping up our research program on fish migration. Mr. H. R. MacMillan, one of the members of the salmon commission, gave a grant of more than $100,000 to the fisheries institute of the University of British Columbia for research and the British Columbia electrical power company, one of the companies involved, has given a grant of $50,000 to the university. These grants to the university will of course enable them to do more research but much of the research has already been done by the fishery scientists of the salmon commission and the department. What the university will be able to do will be to assemble all known data on this problem of the movement of fish over dams, and place it before the proper authorities.

The Chairman: I am extremely sorry to interrupt the minister but I must advise him that his time has expired.

Mr. Nowlan: I am sure the committee would want the minister to proceed.

The Chairman: Does the committee agree that the minister proceed?

Some hon. Members: Agreed.

Mr. Sinclair: I have only one little piece left. I was going to say that the other thing which makes the situation easier is the very harmonious relations there have been between industry and the fishing groups in British Columbia over the years. Up until now we have been able to have fish and power in British Columbia and the attitude of the British Columbia Electric Company in making money available to study this problem is an example of that kind of feeling. The provincial government has also been most helpful. They have announced that no licences will be granted on the Fraser river for a power dam until the problem of the movement of fish has been solved.

I was going to raise the matter of one other international commission which is probably the one which has always intrigued hon. members the most. I refer to the fur seal convention to cover the fur seals of the Pribilof islands. Originally there were four nations participating, Japan, Russia, Canada and the United States, which had agreed to end the high seas hunting of these seals and keep a reserve to restore them. Japan and Russia dropped out and the United States and Canada have carried on alone for the last 15 years. There has been a great achievement in the restoration of the species which in 1911 seemed to be on the point of extinction. Our problem now is that fishermen say there are too many fur seals which destroy fish which they use as food. We get one-fifth of the kill on the Pribilof islands in return for abstaining from killing them off the coast of British Columbia. Last year our receipts from that were $1,214,331, about $200,000 more than the previous year. The

average price received for the skins was $94.80. The Japanese and Russian fishermen in recent years have also been unhappy about the number of fur seals in the north Pacific and so a meeting was convened in Washington last December to see if we could arrive at a new four-power treaty to solve this problem. Seals of course are animals and this is not a true fishery matter, but it is an interesting industry.

Negotiations have proceeded very slowly but we hope that in the end we will have a treaty which will be acceptable to us, by which we will have a closer control over the numbers and which will still return to us about $1 million a year.

I thank the house for giving me these few extra minutes. I shall simply close by saying that generally the fishing industry is in pretty good condition. As I said last year, fishing is still probably the most dangerous and the most ill-paid occupation in Canada, but to the men engaged in the industry it is more than that. It is a way of life, and as long as the fishing industry is a little better this year than the previous year the fishermen are reasonably happy and like other fishermen, either sport or commercial fishermen, they are always optimistic that the next catch is going to be the big one.

Mr. Nowlan: Mr. Chairman, I am sure that those of us who have listened to the minister's opening statement this morning, as on similar occasions, have been pleased with the casual and yet interesting and almost dramatic way in which he deals with some of the phases and activities of his department.

I am quite sure when the time comes for the minister to retire from public life he need not worry about his opportunity to earn a living because he will certainly be able to write novels about the sea from which he will probably earn far more money than he earns today.

I want to say most sincerely that the minister makes his department most interesting. Possibly there are very few departments in the government where that opportunity is presented, which may be one explanation. As the minister said in his concluding remarks, this is a way of life for many people. It is a hard way of life. I think all people who know the fishermen—this certainly applies on the east coast—will agree that they are among the poorest paid for the hardest work of people engaged in any occupation in Canada today. Yet few of them would change. They love the life and have developed a type of citizenship and outlook which permits them to make a contribution which is well worth while.

[Mr. Sinclair.]

Taking it in all, I submit that this department warrants more interest than has been shown in the past. It may be merely a coincidence or an accident, but I am certainly glad to see the estimates of this department being brought down at this relatively early stage in the session. Back over the years I have found that the fisheries estimates have been brought down in the latter part of the sessions. Last year I think they were brought down on June 24 or 25, and the same with other years. It is good to see that we are to be given a little more time in which to consider these matters and I think also to emphasize the position of this department in the economy of Canada rather than to have these estimates considered as being something to be got on with whenever it was convenient, more particularly when the weather was hot and we might not be ready to spend so much time talking about these matters.

Perhaps I should say at this point how delighted we all are to see the minister back again apparently restored to health. We were all shocked and I think I can say frankly worried at the reports we heard of his accident and consequent injuries. It is good to see him in his present shape. I am sure that if during these estimates he finds he is being asked too many questions or is being bothered in any way we will be only too glad to have him remain seated. I would hope that before we finish with his estimates the minister will find it possible to refer to what he saw in the Scandinavian countries and even in Russia and to make a comparison between their methods of fishing and industrial production with our own.

Before I was diverted to making a personal reference, I was saying that this is a most important industry. There are all these people engaged on the east and west coasts, in the central part of Canada and the great lakes, and in the north on Great Slave lake and others. I profess to have no knowledge whatsoever of the fishing industry except in a most casual way and that only with reference to the east coast. As the minister has said, the hon. member for Lambton West (Mr. Murphy) has taken particular interest in the fisheries of the great lakes. I was glad to hear the minister say that if this particular item were reached it would be allowed to stand until that hon. member was present. There are other hon. members from Ontario who no doubt will be speaking today, and there are also members from the west coast who will be dealing with the fisheries on the Pacific.

I checked yesterday to find the relative value of the production of this industry as

compared with other industries in Canada. The 1955 figures for other industries are not available as yet, so I took the 1954 figures. As the minister said this morning, the landed value of fish for 1954 was $86 million. That is not a tremendous amount, but it is fairly substantial. The 1954 market value, which is a fair criterion, and which would be the value of the product when frozen, processed and ready to move from the plant, not the retail value, was almost $192 million for 1954.

We hear a great deal about the tobacco industry in this country, but it might be interesting to note that the production of that industry for 1954 was just about one-quarter of the market value of our fisheries. We hear a great deal about our farm implement industry and the tremendous exports of farm implements, but the total 1954 production of that industry was $113 million as compared with $192 million for our fisheries. Even the gigantic motor car industry showed only a total production value of $559 million, or roughly two and a half times the market value of our fisheries. I could go on and make other comparisons, but I bring forward these figures in order to bring this industry into a clearer focus than it has been in the past.

I submit that this industry deserves more careful attention and consideration than it has always received in the past. It is a unique industry. During the past few weeks we have heard a great deal of discussion in the house about wheat, and the production of other crops has been discussed, which is proper and right, but this industry is unique in that there is no ownership in it at all. Not only is it public domain, but it is a watery public domain and no one has any vested interests in it, except in so far as territorial waters are concerned.

I sometimes wonder that people have the courage to spend substantial sums of money developing plant and investing in equipment without any assurance that the industry will be protected and with the possibility that nationals of other countries or even our own nationals who are not to well controlled may come in and destroy the very basis of the industry. As I say, in that respect it is a unique industry.

As the minister said, there are two basic problems confronting the industry, the problem of marketing and the problem of conservation. As he said also, the problem of marketing seems to be a little better this year. At least we do not have to have floor prices. As the minister has said, the surpluses are going to be disposed of and from that standpoint the industry is in better shape than it has been in prior years.

I think a great deal of credit should go to the economics and marketing divisions of the department. Personally I rather regretted a reduction in these items. It is true the reduction is not large, but I submit that more money should be provided for the marketing and economics divisions of this department. Those activities should be stressed.

The fact is that we still eat too little fish in this country. Not enough emphasis has been placed on the eating of fish. The minister has indicated that the industry is co-operating in an advertising campaign. I think the industry should be encouraged to spend more money on advertising and the department should be prepared to co-operate by supplementing that advertising. Better packaging, improved curing methods, faster freezing methods and quicker transportation have increased the demand for fish. The people of Canada should be encouraged to eat more fish, and I am thinking of the Nova Scotian finnan haddie that we have from time to time in the parliamentary restaurant. If more people knew of that product the consumption would increase tremendously. I suggest that you cannot find a better cured fish anywhere in the world. That is just one example of the improvement which has been going on consistently in this industry.

Because of these improved methods and because our population is increasing and will continue to increase, we hope fairly rapidly, there is no doubt that the demand for fish will increase as well. I think this demand could be spurred if there were more direct assistance from the marketing branch than has been the case heretofore.

Then there is the problem of our exports. I am speaking now purely for the east coast where our exports other than to the United States and forgetting for the moment lobsters and a few special products such as that, take the form of cured and salted fish.

The minister has said in other years that that was a very uneconomic way of disposing of this, and that of course the emphasis should be laid on the development of the fresh fish consumption. That is true, but, after all, we have to have the cured fish outlet in order to take care of surpluses, because fish is not a product which can be stored indefinitely. There has to be a cured fish market. I know that many fishermen in my own constituency, perhaps carrying on in a small way, when they find that fresh fish sells for only 1¼ cents a pound, do the curing themselves and hold it until the fall when they can get a much higher price than on the fresh fish market. Therefore I do not think we should overlook the importance of

maintaining and developing the market for our salted and cured fish. At one time that was the principal one, of course. There was an extensive market in Spain and other parts of Europe, in the Caribbean, in South American countries and so on. That has been widely restricted today. The demand is less today, but there is still a substantial demand in the Caribbean. I noticed the other day that the republic of Haiti have sent a trade delegation here to negotiate or discuss the possibility of amplified trade arrangements between our two countries. When we entered the British West Indies trade agreement in the early 1920's, it was undoubtedly a good thing, but I think it did create prejudices and frictions with other Caribbean countries which were at that time buying tremendous quantities of our salted and cured fish. I urge on the minister that he lose no oportunity whatsoever in attempting to develop in every way possible those other markets in the Caribbean and in South America in those products.

Of course, the trouble down there is that for the most part those people have a very low purchasing power. They are among the poorest paid in the world and they cannot afford to buy an expensive product. We shall have to have manufacturing and processing carried on in this country so that we can afford to put those products in those markets at prices at which those people can buy them. If that is done—and I believe it can be done—and the industry restored to some extent to what it was many years ago, it certainly will be of assistance to those of us who represent the fishing industry in the eastern part of Canada. I shall say nothing more about marketing at the moment. There will undoubtedly be much more said about that subject as the day goes on, but I simply say again that this Caribbean market is a traditional market for the Atlantic provinces. I am not minimizing the fresh fish trade. Gradually, as fresh fish production is improved more and more, that market will perhaps play a less and less important part in our economy, but it still is an important factor and should not be overlooked.

The matter of conservation, to which the minister referred, is the other important phase of the department to which we all have to give a great deal of attention. We have the bifocal problem, shall we say, of our territorial waters and the high seas. In the territorial waters there should be no problem. We have control of those waters. We make the regulations, and it is simply a matter of enforcing them. The responsibility for that is our own. But when we get beyond those territorial waters on to the high seas, there you get the problem in its very essence, and today it is, I think, a pressing problem.

Think of the changes that have taken place in the methods of fishing in the past few years. Almost all of us in this chamber have memories of the times when fishing was carried on by means of the schooner and the dory. That was the method that had been carried on for 500 years. When the Portuguese said last year that they had been fishing on the banks for 500 years, that was true historically. That was the method that had been employed. Then came the evolution from the schooners to the great voracious trawlers. In a lucky day, I should say, a trawler would haul out as much fish as a schooner would get in a month. In the old days, of course, we had the hardy men of the sea, such as the Minister of Public Works has in his constituency, going out in the fishing schooners, the *Bluenose* and the other champion craft which were built for the international competitions. That day, unfortunately, is gone. That was part of the colour and the drama, and it went with the coming of the mechanical trawler. With the mechanical trawler has come a greater threat to the fish as a whole, because today you have the trawler with its trawls and its equipment—with the most modern electronic equipment with sounding devices enabling them to move along, as I understand it, and pick out very accurately where the schools of fish are located. There are also, of course, ship-to-shore telephone communications, by means of which they can receive instructions from hour to hour as to their movements. Altogether, although the banks are very large and the fish, you might say, are very small, their chances of avoiding those trawlers today are getting less and less as the days go by. It has become a highly scientific and technical procedure, though still very dangerous and rough on the men taking part. As a result of all this—and when you remember that there are more ships on the banks today from other countries than there are from Canada, that they come in there from Portugal and other parts of Europe, from the United States and from all over the world—you might say that fishing in that area, with these modern devices and equipment, has made the necessity for conservation even greater now than it ever was before.

The minister says, quite properly, that the only way you can deal with this is by international conventions. We are very happy to have made great progress along the lines of international conventions within the past few years, but they move painfully slowly, as the minister indicated almost as

an aside in what he told us about one of the great lakes commissions, when he said that only in the past three or four weeks one of the contracting parties had found time to appoint personnel to that commission.

I was just reminded of the province of Nova Scotia, a small province. I wonder how many hon. members outside the fishing industry realize that the average landed catch for that province within the past two or three years has been in the neighbourhood of 375 million pounds of fish per year. That is over one million pounds of fish a day, on the average, being brought in to the wharves of that one province. When you amplify the picture by considering all the fishing countries in the world that are searching for and catching fish over the areas of the banks today, I suggest to you that the time has come when a much more radical approach must be made to the problem. I know the minister is hoping that through the commissions there can be evolved regulations that can conserve the fish, and it must be done.

Yesterday, in reading a report of his department, one of the research bulletins, I was struck with the fact that when the lobster fishermen first began catching lobsters in the maritime provinces and the province of Quebec almost 100 years ago, that lobster fishery developed in a few years, so that 75 years ago they were catching over one hundred millions pounds of lobsters a year. Of course, they were large and heavy lobsters. From that the fishery dropped to approximately 20 million pounds. Now, through conservation and control, it has been kept roughly in balance between catch and production and we are at around 35 million pounds again. I think that is approximately the situation. It shows what conservation can do and it also shows what will happen, that there is a rapid fall if there is no conservation. So I say that we need to put more emphasis on that.

These waters are at our front door. One does not want to become provincial, one does not want to become perhaps supernationalist, but we have a greater interest in them than any other country in the world and they are being exploited by all the countries of the world. I think the time has come when our government will have to take more stringent steps and make a firmer approach to the matter than has been the case in the past. It is going to be slow, it is going to be laborious, it is going to be tedious. You are going to be stymied by one country after another which wishes to avoid being involved in too stringent regulations. However, as I have said, I think the time has come when there must be more emphasis put on the matter than there has been in the past. I know that the minister entirely approves but he of course is faced with the difficulties of international negotiation and the slow tedious process of dealing with commissions. Besides, he has many other things to do.

But we can easily get disease or pestilence in our fish. Take what happened last summer with the herring when suddenly overnight hundreds of thousands of herring were found dying in the waters because of some disease or pestilence that had struck and which virtually extinguished them. At the same time, of course, pollution was created in the waters which made the life cycle of other fish much more difficult. There again there is a necessity for such action.

As I said, there are two approaches to the matter. One is the international approach which the minister suggested and urged and which I suggest he pursue still further. Then there is also the approach of control of our own waters. I know the minister can say that he knows exactly what I will say because I said it last year. In fact the discouraging thing about it is that last night I looked up what I said last year and I thought I could almost say the same thing over again word for word. It is rather discouraging but nevertheless I think it is important because the problem of our territorial waters is an important one to many members and I think to the country as a whole.

I am not going to weary the house by repeating things I have said before on this phase of it so far as my own constituency is concerned. Perhaps when the specific items are before us later today I will elaborate on the matter a bit. But you have the situation where under the old law that exists today international law recognizes the three-mile limit as territorial water. Historically, of course, that is based on the old theory of the cannon shot. History tells us that the old cannons could fire three miles out from shore. Therefore you could exercise control over those waters and beyond that was the high seas. If that theory was sound then, it has certainly got to be reviewed today in the light of present developments. Where you would apply the limit no one of course knows because today it is not a question of three miles. With a bomber I suppose it is 3,000 miles or with an intercontinental ballistic missile it might be 5,000 miles.

No one wants to suggest extremes such as those, but there are those who have suggested 10, 12 or 20 miles. I understand that some South American countries extended the limit last year to 200 miles, and altogether

the situation is most uncertain. I believe the question was referred to the international law committee of the United Nations, and last year the minister told us that the committee was about to report and that the United Nations would take some action thereon. But we know how dreadfully slow and tedious any action on the part of the United Nations can be.

The minister also told us last year that an interdepartmental committee had been set up of which Dean Curtis formerly of Dalhousie law school was either the chairman or the technical advisor. I have forgotten which. Dalhousie law school is of course where he really got his educational foundation although he may have moved away temporarily to the University of British Columbia.

We will not debate that, Mr. Chairman. I know where he got his training in the days before he was exposed to the vagaries of British Columbia.

What I want to say, and I realize that my time is running out, is that the minister told us last year when I mentioned this matter that Dean Curtis' report had been submitted to the Secretary of State for External Affairs and that he understood that after the government had considered it it would be made available to parliament. That was a year ago. Perhaps I should not say a year ago because this year the estimates are before us earlier, but it is nine months ago and I am sure that the government has had time to consider the report. I should like the minister to tell us if he will make the report available to parliament because I think it is a most important thing.

We need to know what the policy of our government is with respect to international control of our own territorial waters. Before the estimates are through I think the minister should clarify the position with respect to the report of the interdepartmental committee and also what position the representatives of the government are prepared to take when the matter is considered further by the United Nations this fall. Certainly the time has come when the whole set-up must be reviewed. I could make references to my own constituency but I am not going to do so because, Mr. Chairman, I see that you are looking apprehensively at the clock.

But we have this situation with respect to trawlers. The minister knows it and the anomaly of the problem must irritate him more than anything else. I presume that sometimes he feels frustrated and helpless about it and would like to throw the problem out the window. I suggest that he throw the trawlers out the window. Of course, from the standpoint of my constituency that would be a delightful way of solving the problem. However, as the committee has been told before, under international law any United States trawler can come up to within three miles of our coastline. When I say "within", that is really euphemism, because in a fog the three miles becomes constricted to about 30 yards if the water is deep enough. All the fishermen in my constituency can certify that is so because of the lobster traps, trawls and everything else that they lose to some of these American trawlers. Despite their sonic equipment and everything else they suddenly become lost and wander up along the coast. On the other hand, Canadian trawlers over 65 feet long, manned by Canadian crews and built with Canadian money, are required to stay outside the 12-mile limit which I think is the rational approach to the matter. If the minister will say that we are going to have a 12-mile limit, our government is going to insist on that limit and we are going to take that position with the United States right away and we are going to urge a 12-mile limit before the United Nations, I think it would clarify the air.

But at the moment you have that conflict between international law and our own internal regulations. No wonder everyone is frustrated and angry about it. Certainly Canadian trawlers feel they have the right to go up to the 3-mile limit if the Americans are allowed to do so. On the other hand, the inshore fishermen do not want to see the trawlers nearer the coast than they can help. I should like to see the situation worked out so that all trawlers would be kept 12 miles off our coasts. That would protect the inshore fishermen who perhaps are not the most important in this industry from an economic point of view but still have that way of life to which the minister referred. There are scores and scores of villages and thousands of people involved, some of them, I presume, in the constituency of my friend, the hon. member for Charlotte, some in the constituency of Saint John-Albert in New Brunswick on the other side of the bay, and all up and down the coast of my constituency of Digby-Annapolis-Kings.

Of course the minister has power with respect to this matter. You may remember that I twitted him a bit a year ago in that he had taken unto himself the power to draw a line in St. Margaret's bay and say thus far shall you go and no farther. He barred the trawlers from crossing that line. Of course, that happened to be just before the last provincial election.

Mr. Sinclair: Pure coincidence.

Mr. Nowlan: That year it was a coincidence. By another coincidence there is another provincial election in Nova Scotia this year, and I think it would be a fortunate coincidence if he would make the same ruling with respect to the coastline of the bay of Fundy as he did three years ago with respect to St. Margaret's bay and say that all trawlers, big or small, must keep outside that line. That would not only be a coincidence but it might accomplish miracles for him because some miracle such as that is needed if his political friends are going to achieve the results they want.

That, Mr. Chairman, is the second phase of this matter to which I want to draw his attention, the conservation and control of our own territorial waters. I am not going to develop it further at the moment but I hope that before the item passes the minister will clarify the position of his department and the government with respect to this matter.

Mr. Kickham: Mr. Chairman, I should like first of all to thank members wishing to speak on the first item of the fisheries estimates who have given way to me because I will be away this afternoon and for the next few days. I should like to say that I am greatly pleased to see the Minister of Fisheries taking an active part in administering the affairs of his department. I followed very closely the serious injuries he received in Russia last year. I think most hon. members in this house realized that the minister possessed an abundance of mental and physical energy, much more than many of us in this house possess. I feel it is quite possible that this abundance of energy stood him in good stead. He has made a partial recovery at least and I hope that in the very near future recovery will be complete.

Since taking over the administration of the Department of Fisheries, the minister, I feel, has displayed a great interest in his department. We had evidence of this only last week when he invited members from the Atlantic provinces to meet with him and exchange views on the administration of his department. He afforded Liberal members from the four Atlantic provinces an opportunity of expressing their views and making suggestions with regard to the administration of his department. This procedure is contrary to an editorial I read in *Maclean's* magazine, the issue of March 3. I quote what the editor said:

> Anyone who has been glancing lately at *Hansard* or at a reasonably good newspaper must have been reminded that parliament has ceased to be the chief official critic of the nation's conduct and its conscience. Much worse, the parliament of Canada has ceased to be, in any real sense, the government of Canada. It still has the power to govern. Nevertheless, it continues to acquiesce blindly in all cabinet actions and pronouncements—voting almost as dependably on its party lines as that final horror of legislative horrors, the Supreme Soviet of the U.S.S.R.

In reply to that accusation which is directly applied to all Liberal backbench members, I want to say that only recently the Minister of National Health and Welfare invited members to a study group meeting on the administration of his department. I can recall numerous instances in the past when the Minister of Trade and Commerce has also welcomed members of the Liberal party to discuss the affairs of his department. It is stated very often in the press and in this house that the Minister of Trade and Commerce is, in reality, a dictator. In my opinion his treatment of the backbench members in inviting them to discuss matters of policy in connection with his department does not savour of dictatorship.

Leaving that matter now, because I do not wish to take up too much of the time of the house, I shall refer to some of the problems of the fishing industry in our province. The fishing industry in our province has been making great strides in the past few years with the assistance and co-operation of the federal and provincial governments. In the speech from the throne at the opening of the provincial legislature, the premier of our province, Mr. A. W. Matheson, announced he will establish a department of fisheries. He is to be commended for this action. Prior to this time fishing interests were taken care of by the department of industry and natural resources. I am sure that the fishermen of our province will greatly appreciate the move to set up the department of fisheries because I think it recognizes the position of the fisherman in our economic life and that has been long overdue.

I was interested in a remark the minister made when he said that, after discussion with his officials, it might be possible to establish a floor price for dogfish. He mentioned the west coast particularly, but if such a policy can be adopted by his department I should like to see it applied to the east coast also. In the months of July and August our fisheries are very seriously handicapped by an invasion of these fish. If the livers were worth something and something could be realized from the fish through processing them into fish meal, it might be that it would not cost the Department of Fisheries a great deal to provide an inducement to fish those predators. I am sure that our fishermen, who normally fish for hake, cod, and haddock after the close of the lobster fishing season, which is June 1 in our area, would be very pleased to fish for these dogfish.

I should like to say a word about a problem that has confronted me particularly. It relates to a branch of the shellfish industry in our province, namely quahaugs. There are large quantities of quahaugs present in polluted waters in our province. I understand that as a result of some arrangement between the public health department in the United States and the same department in Canada, there is a prohibition against taking fish from polluted waters, and that is quite reasonable. But in the case of some mollusks, such as oysters, permission is granted to transplant them to other areas for recleansing purposes. I took the matter up with the two departments last year. Both departments are involved in this question, but evidently the stumbling block was that no scientific research had been carried on up to this time as to how long a quahaug should be placed on a beach to be purified.

The minister and his officials in one meeting suggested it might be possible to recleanse the quahaugs in pounds. I like that suggestion very much. I believe it was made by Dr. Pritchard because of the fact that it would save the cost of reraking the fish from any beaches where they might have been relaid for recleansing purposes. However, I hope we can get permission to relay. I am most anxious that we eventually will, because on the return of a heavy volume of seaweed these hard-shell clams will eventually die. There is a market for them in Canada. They are ground into meat and sold in Canada. They are not sold in the United States because there is no market for them. I understand that in the United States they use only the tender small quahaugs called littlenecks. It would give us a lot of employment. It is estimated that the industry would be worth in the vicinity of $100,000 a year to the labour employed in the transplanting of the quahaugs from those areas to other areas for purification purposes and their repossession and processing.

I know the minister is most deeply interested in this, and I hope that he shall have permission in the very near future to transplant these quahaugs.

I also like the suggestion made by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), who preceded me in this debate, that it is most unfair for those who are financed and equipped with draggers by both the federal Department of Fisheries and the provincial department of fisheries to encroach on the inshore boats. They should at least keep off three miles. We have had that difficulty at home, and our dragger fishermen are now realizing why it is a great discouragement to the inshore fishing boats to fish when their gear is being taken up by larger vessels. In that connection I should like to say that at Souris we have one fresh fish filleting plant and two by-products plants that have been in operation for two or three years. In the coming season we shall have another large fresh fish filleting plant operating at Souris. I hope that sufficient encouragement will be given to the inshore fishing boats to fish cod, hake, flounder and haddock after the close of the lobster fishing season at some fishing centres.

These inshore boats have been fishing in past years. I know of one case where fish have been trucked as far as 30 miles from where they are landed to the fresh fish filleting plant. I would like to see all the lobster inshore boats fish, as I have already mentioned, at the close of the lobster fishing season. I would also hope that the processing plants could pay sufficient money for their fish to induce those fishermen to go out and fish and have the fish brought to the processing fish centres. It would be a great advantage because dry periods are experienced by the dragging fishing vessels, and the inshore fishing boats would supplement the supply and would provide for continuous operation of the plant and continuous employment of the employees.

I have just another word, Mr. Chairman, before I close. I should like to say that because of the assistance that has been given by the federal government by way of a subsidy of $65, per registered ton for boats over 40 feet in length, and also the assistance that has been given by the provincial department, we shall have about 15 draggers owned and operated in our own province this year. I think that with the intake from the inshore boats we can keep both of these processing plants and both of the by-product plants in full operation.

Mr. Barnett: Mr. Chairman, I believe there is just time before I ask you to call it one o'clock to join with the other hon. members who have taken part in this debate so far in saying how pleased we are that this morning the Minister of Fisheries was able to be back in his seat and in the form he was when he gave us an outline of the activities of his department.

Like the hon. member for Digby-Annapolis-Kings, I would have been very much interested if the minister had been able to give us a more extensive picture of some of his observations on fisheries while he was abroad. I realize that perhaps the estimates of his department may not be the most appropriate place for that to be done; but I do hope that the minister will keep that in mind and some time before the session is over will find

suitable opportunity to give to the house a picture of some of the things that he saw.

Would you call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Barnett: Mr. Chairman, at one o'clock I was about to enter into some comment concerning the first item of the fisheries estimates and some of the matters that appear to me to be of interest and concern at this time.

I think the minister made it clear this morning in his opening remarks, and probably it will appear even more clear in the statistics which he put on the record, that fisheries is now one of our great national industries and that it is wise for hon. members of this house to realize that what has become rather a trite saying, "There are only two great sources of food for the people of the world, the agricultural industry and the fisheries industry" is indeed true and that we in this country are blessed with a very rich heritage in both those fields of food resources.

Like the Minister of Fisheries, I come from a west coast constituency. I do not intend to attempt to enter into any extended discussion of the fisheries of the Atlantic coast or of our inland fisheries except to say that as a member of this house who has some appreciation of the value of this resource I am interested in the well-being of the great Atlantic fisheries. I am also interested in the fact that much remains to be done in that area before the economic value per pound of fish caught approaches that of the west coast. Those who live on the west coast realize that even with the present relationship in the markets of the world of the value of our product to the pound caught, our fishermen by and large do not enjoy anything more than a reasonable return for their efforts.

There is one aspect of the current fishery situation which appears to me to be of equal concern to the fishermen of the Atlantic coast and of the Pacific coast. Reference was made to this by the hon. member for Digby-Annapolis-Kings when he was speaking of the matter of territorial waters. I would have been glad if the minister had been able to give us a positive assurance that this particular problem was on the way towards some satisfactory solution.

I was quite interested to read recently in the publication of the fisheries council of Canada a report on the present situation as it exists. This is one which I feel should be brought fully to the attention of the house. This report is an excerpt taken by them from the *Financial Times* published in Great Britain and it makes some reference to the international law commission and to the report which it has made. The gist of this report seems to me to be that we are entering into a veritable no-man's land of international law at the present time when we discuss the situation. It makes reference to the fact that various nations have been making a variety of claims in this connection. While I generally agree that we Canadians should attempt every means of reaching an amicable international understanding upon this question, I cannot help but wonder after having read this report whether or not the time has come for us to put forward, perhaps just a little more firmly than we may have done or than on the surface we appear to have done, our own feelings and our own position in relation to this situation.

I know that the minister is aware there is a strong feeling among the fishermen in British Columbia that we should assert our rights to territorial waters lying inside our offshore islands, Vancouver island and the Queen Charlotte islands. Certainly there are indications from the position taken in some instances by our neighbour the United States that we would not perhaps be doing anything in that respect that they have not done if we were to take that position. However, I do hope that it will not be long before the international law commission's report will produce some definite international action and international agreement on it.

There is one statement which I think points up the fact that this has come into the realm where people such as hon. members of parliament should be concerned about it. Referring to the opinion of the international law commission the bulletin of the fisheries council of Canada states on page 5:

> It feels that the task of harmonizing the different views, which often originate in different political or economic conditions, should rather be entrusted to a diplomatic conference.

That, I take it, means that we in this parliament should be attempting to assist our government to crystallize its point of view on this subject. As far as I can see, and I am expressing only my own opinion on this matter, there should be little question that Canada should be willing to stand for a recognition of territorial waters, at least as far as fishing is concerned, to the 12-mile limit and that we should be behind the idea

of developing international recognition for the inclusion of waters which lie inside our headlands in addition to that 12-mile limit.

I admit, Mr. Speaker, that since I have been coming to Ottawa I have had an opportunity of acquiring more knowledge of some of the eastern species of fish. I will even go so far as to confess that I have developed an appreciation of some of the products such as the haddock and the cod that come from the Atlantic coast. I would suggest to those who come from the Atlantic provinces that if they would only be willing to overcome the foolish idea which they try to promulgate, that there is some basis for favourable comparison between what they call salmon and what we produce in British Columbia, those of us from the Pacific coast would probably be willing to participate in an all-out sort of co-operation in developing a wider appreciation of all the fishing products that are produced.

In this connection I may say that as a result of visits that were made to the test kitchen of the Department of Fisheries my wife has been trying out on me some of the recipes that come from there and the results by and large have been quite favourable. That may have something to do with increasing my appreciation of eastern fisheries products.

An hon. Member: By and large.

Mr. Barnett: An hon. member says, "By and large". I do not believe in being too unqualified in public praise. While I am on this subject of the different fisheries I must confess that I have been shocked in recent weeks to discover from conversations with hon. members in this house that many do not realize that we have a herring fishery on the west coast. For that reason I think I should draw attention to the fact that the minister's statistics will reveal that the west coast herring fishery is larger than the Atlantic coast herring fishery and from the point of view of total tonnage caught represents something more than half the total poundage of fish products produced in British Columbia.

There was one problem which the minister did not deal with this morning and on which I had hoped he would make a statement. Perhaps he will find an opportunity before these estimates pass to do so. I refer to the widespread concern over the mid-Pacific salmon fishing. Many fishermen of British Columbia are firmly convinced that the salmon being taken in the mid-Pacific are immature and should properly be caught after reaching maturity by our fishermen closer to shore. They feel that something should be done in the way of immediate action to prevent the taking of these salmon, principally by Japanese vessels. I do not think the minister will feel that it is necessary for me to expand upon the rather unfortunate implications that might arise out of a growth of this feeling in British Columbia. I think it would be worth while if we had some explanation of what is being done in this connection and also some factual information as to what the situation is from the scientific point of view in regard to the claim that we are losing a large potential salmon fishery as a result of the mid-Pacific fishing.

I was glad the minister made some reference to the problem created by the increasing depredations of dogfish. This is a particular problem facing the fishermen who fish in the waters between Vancouver island and the mainland. They are increasingly concerned over the destruction of nets and gear and the increasing effects of dogfish upon the salmon fishery. I hope that this problem will be resolved in a way which will make it possible for the fishermen to utilize to advantage some of their time during the off season for other species.

It is true, as the minister pointed out, that there was a drop in the income from our fisheries last year and this has resulted in the fishermen of British Columbia taking an increased interest in the question which was discussed last year of providing access to the benefits of the Unemployment Insurance Act. I know that this matter as it affects the fishermen of the Atlantic coast has been drawn to the attention of the committee already and I recognize also that it is not a matter coming directly under the jurisdiction of the Minister of Fisheries, but nevertheless I think it would be appropriate at this time if I were to urge him to use his influence toward a solution of this problem—perhaps I should say to continue to use his influence, because he did give us some assurances along this line last year in the industrial relations committee.

There is another matter which I feel is of some concern and which is brought to my mind by the salmon spawning report issued by the able chief supervisor of fisheries in British Columbia for 1955. I raise this matter because, to me at least, it involves a question of policy extending beyond the activities of the Department of Fisheries. In the annual report of the department which we have just received reference is made to some of the activities of the protection and fish culture branches. In respect to the salmon spawning streams it is pointed out that the fishery officers of the protection branch have continued their program of fry salvage and stream clearance throughout the year. It is stated that over one hundred streams had

log jams, rocks and debris removed. That reference will be found on pages 17 and 18 of the report.

I do not quarrel with the fact that that activity has been and will be of continuing value, but I think the report of the chief supervisor of fisheries on spawning makes it clear that that program of itself is not enough. Running through his analyses of spawning of various salmon species over the past year like a refrain is reference to the fact that in many instances what might have been a satisfactory spawning situation was ruined because of flood damage. In one report, referring to the spawning of chum salmon, it states:

> Here again flood damage resulting from the storm of November 2nd and 3rd caused extensive damage to the early spawning. Some damage also resulted to the moderately good supplies in the Squamish system.

Then referring to the Victoria area it has this to say:

> It is estimated, however, that 75 per cent of the spawn deposition in these streams was destroyed by the November flash flood.

I bring this matter to the attention of the committee because I think it involves policies beyond those which the Department of Fisheries can exercise.

If the Department of Fisheries, which is charged with the responsibility of protecting and increasing our salmon runs, is going to be able to do the job that it should be doing there must come about a recognition that part and parcel of the policy which will make this increase in our valuable salmon industry possible is in the development of a program of stream control. Perhaps this is a subject that might very well have come up during the recent discussion on conservation introduced by the hon. member for Kootenay West. In fact, had it not been that there seemed to be a great number of speakers interested in that debate, I might very well have had something to say about it then.

To me this is obviously a problem that is going to require co-operation between federal and provincial authorities. It is going to require a plan which involves our forest industry and involves almost every aspect of soil and water conservation. I bring it up now to urge that consideration of this problem beyond that merely of the Department of Fisheries be given by the government. It seems to me that the activity that is being carried on in a modest way in respect to clearing log jams, out of streams, and so on, is going to have little value unless a much broader program is developed that will result in measures being taken to eliminate the flash flooding, which, as the chief supervisor has pointed out, has almost destroyed satisfactory spawning in many of the areas during the past year.

There are quite a number of other items that I have noted. I should like to bring up some of them when we are discussing the details of the estimates. But there are a few more problems here on which I should appreciate a clearcut statement from the minister.

One of the questions that has been asked of me is as to the eligibility of the Indian fishermen of British Columbia to qualify for loans under the act that was passed last year. I should hope that the minister could give a clearcut statement on that point so that there could be no misunderstanding of the actual situation.

Another question that is of concern to some of the Indian fishermen who live in the vicinity of Ripple Rock is as to what the effect upon their fishery is going to be when that big blast is set off. Some of them are fearful that not only will there be some destruction of the migratory stocks of fish that are in that area at the time but that the result of the blast will be such as to entirely wipe out the local stocks of ground fish and will leave them without access to winter subsistence fishing, on which they rely for part of their food. I would appreciate having some statement based on the best available evidence as to what the results of that blast will be in that respect.

I think that covers all the points that I shall attempt to deal with at this time. There are one or two other matters, but I note that the time at my disposal now will not allow me to enter into discussion of them and so I shall defer them for consideration at a later time.

Mr. Patterson: I am sure it has been an inspiration to all members who have listened to the introductory remarks of the Minister of Fisheries today as he outlined the work of his department. I remember that on other occasions when he has made the opening speech in connection with his estimates we always felt that he gave a very vivid outline of all the activities that come under his jurisdiction. He has the happy knack of not only giving information but imparting some inspiration with it as well, and certainly his remarks today have been no exception to that rule.

I should like to join with the other members who have extended a welcome back to the Minister of Fisheries. We followed with concern the reports of his accident and illness and we were in hopes that the time would not be too long before he would be back here to

assume his responsibilities in the department and in the house. So I join with the others who welcome him back and wish him continued health. I should be very much interested to hear of his impressions and his observations on his recent trip to Asia. I am sure he gleaned a great deal of valuable information and, when the opportune time presents itself and he does speak on that matter, I am sure it will be of real interest to all members of the house.

I should like to say that I regret that the hon. member for New Westminster is not here today to take part in this debate. He was called away because of death in his family; otherwise he would have been participating on this first occasion in this debate. I am sure his analysis of the situation and his outline of the problems would have been much more detailed than I shall be able to give today, but he may be back in time to participate before the conclusion of the debate.

We have been reminded of the continued and increasing importance of the fishing industry to the economy of Canada. We have learned a great deal since the opening of the session on the importance of the agricultural industry, and we who come from non-wheat-growing areas listened with real interest to those debates. Now we hope that the members from the prairie provinces will bear with us as we discuss some of the problems relevant to the industry that is very vital to us, namely, the fishing industry.

Last fall there was a great deal of concern over the fact that first reports were to the effect that the salmon industry was going to suffer some severe setbacks, but we were encouraged again to read further reports that what had been lost through the depletion of the catch of the sockeye was being made up to quite an extent by the catch of pinks. I shall just refer to a brief article in the Vancouver *Daily Province* of September 22, 1955:

> Big Run on Pinks Aids Salmon Trade.
>
> A huge run of pink salmon at the last moment has saved the British Columbia fishing industry from one of the worst years on record.
>
> Eventual catch of pinks by the end of the season is expected to nearly equal the record catch of one million cases set more than 25 years ago.
>
> A. J. Whitmore, chief fisheries supervisor, said the result has been that this has become "a good average year".

I met some of the fishermen at about the time when their prospects were rather dark. They were very much concerned over the situation and wondered how they were going to be able to carry on operations and finance their domestic programs through the coming year. Another matter of real concern is the damage caused by floods to which the hon. member for Comox-Alberni has referred. This was emphasized in one of the local papers in my own area, the Fraser Valley *Record* of November of last year. In that paper it is stated:

> A preliminary review of potential damage caused by the recent storm and record rainfall in the lower mainland areas shows that many important salmon spawning areas suffered severe losses. Most seriously affected was the recent pink salmon spawning in lower Fraser streams; in several instances the results almost suggest a state of disaster and where the local fisheries officers feel that 10 per cent survival of a large spawning is the best that might be hoped for.

In connection with the spawning areas, I should like to refer to a brief article that was handed to me. It is taken from the New York *Times* of February 28, 1956. It is rather strange that the information as to this particular project should come to me from New York, but no doubt it is because of my inability to keep up with all the reading material that we receive from the different departments. The article is entitled, "Salmon Eggs Aided by Canadian Science". It is a Canadian Press report from Nanaimo, British Columbia, and reads:

> Reduction of the losses of salmon eggs on British Columbia spawning beds is the aim of scientists at the Pacific biological station near here. Field tests on a strip of the Fraser river resulted in reducing mortality rate to 35 per cent from an average of 90 per cent, one scientist reported. Ability of water to flow through gravel and provide oxygen to eggs while removing noxious substances from egg clusters is under close study. The findings are expected to disclose the type of gravel best suited to spawning beds and may lead to creation of artificial spawning beds in streams, the scientist said.

This brief article concludes:

> One expert said the day may come when bulldozers will prepare spawning beds with specified gravel on a gradient sufficient to provide a predetermined flow of water through the gravel.

When the minister concludes the debate on this item perhaps he might refer to that matter and enlarge upon it for our benefit.

We were very happy to hear the minister state today that domestic consumption of fishery products is rising. I remember participating in the debate on another occasion when I referred to the assistance that might be given in the matter of training chefs. I do not know whether or not that has anything to do with the situation. Culinary techniques may be improving, but we are glad that there is an increase in the domestic consumption of fish and this no doubt will reflect itself in the industry.

We are also glad that there are no surpluses on hand. I believe this is very encouraging for the fishing industry. The minister referred to the various international commissions that had been set up and made particular mention of two of them. One of them was the commission set up under the great lakes convention. We were interested

to learn that the Canadian government has already taken action to set the machinery in motion in this respect, and we wish the commission every success as it tackles the problem of the lamprey eels about which we heard so much last session. We hope that its efforts will result in the rehabilitation of the fisheries on the great lakes.

At that time we were privileged to see some films provided under the auspices of the fisheries department. One of them had to do with the lamprey eel, and there was also one on the lobster fishery. I was wondering whether it would not be possible this session to have further films shown with respect to our fisheries and fishery activities. I am sure they would be of tremendous interest and of great benefit to us in getting a better picture of the entire fishing industry. If it is possible we would certainly be happy to see that done.

Reference was also made to the international Pacific salmon commission and to the stringent regulations that have been recommended by way of a conservation program. Whatever steps may be necessary to conserve this vital industry will, I am sure, receive the co-operation of the industry when such steps have definitely been proven to be necessary and their efficiency has been established.

There is one matter to which reference was not made and which was not mentioned by the minister. I have not heard anything recently respecting the efforts to secure an international treaty on pinks. It may be that something has been done in this connection but I have not had any report brought to my attention, or if I have I have forgotten it. Perhaps the minister might refer to that matter and bring us up to date on the efforts that have been made and the negotiations that have been instituted. I believe I remember that last year the minister referred to the fact that now that there has been more or less of an equalization of the catch between the Canadian and United States fisheries the United States might be more willing to agree to such a convention.

I should like to refer to the fisheries on the Fraser river. Our fishermen have had their difficulties in the past, and on different occasions we have had the opportunity of bringing various problems to the attention of the minister and the house. Some of them still continue. An announcement was made to the effect that earlier closures were to be instituted on the Fraser river as a conservation measure and also to safeguard the quality of fish being caught. I understand that this year closure is to go into effect on the 15th of September.

There are two questions I should like to ask the minister in this connection which he might answer a little later in the debate. First of all, I should like to know if the minister is absolutely convinced that the results obtained have justified the action taken with respect to earlier closure on the Fraser above the New Westminster bridge. Second, is the minister contemplating any further changes in these regulations, either by way of modification or to make them even more stringent than at present? In this connection I might say that some of the fishermen are under the impression that this is the last year that fishing in that area is to be permitted. I hope the minister will clarify this matter and also let us know whether any other regulations are being considered in this regard.

Of real concern, of course, to those in the Fraser valley and in other sections as well is the discussion that is at present going on with respect to fishing and power, and to which the minister referred in his address. We all know somewhat of the proposed development of the power potential of the Fraser river. I think all concerned are in agreement on the necessity of protecting the valuable fisheries industry. The minister referred to the harmonious relations existing between all concerned in this matter, the fisheries department, the provincial government and the power industry.

I have the report of the fisheries association of British Columbia the "Facts on Fish", dated January 24, 1956. The first two paragraphs are as follows:

> Recognition that the Fraser river is primarily a salmon stream and should be protected as such was the gratifying conclusion to be drawn from the recent announcement of the formation of Western Development and Power, Limited, a subsidiary of the British Columbia Power Corporation.
>
> The announcement by Dal Grauer, President of British Columbia Power Corporation, declared the two principal functions of the newly formed company would be
>
> "(1) To develop hydroelectric power on the Fraser river to the extent that the maintenance of salmon spawning will allow and on the Columbia river where there is no salmon problem, and
>
> (2) To study industrial opportunities in the areas which can be served with this power and to bring in new industries to use it."
>
> The fishing industry commends Mr. Grauer and his company for their aims and ambitions.

The fourth paragraph in this report is as follows:

> In a public statement following the announcement, Mr. E. L. Harrison, Vice Chairman of the fisheries association declared the B.C. Power Corporation's announcement was of the greatest significance to the future welfare of British Columbia. It put into sharp focus the principle that preservation of the salmon resource for the benefit of all

Canadians is of top priority in the planning for the future by governments and most interested industries, he said.

Then this report refers also to the gift that has been made to the University of British Columbia by the power corporation for research work in this connection. I am reminded, too, of the statement made by the minister that Mr. H. R. MacMillan has made a contribution of $100,000 to the same research program. The Vancouver board of trade, as revealed in this same report from the fisheries association of British Columbia, lends its support to the attitude taken by the various authorities.

On page 2 of the report we find this:

A resolution which reflects the sentiments of the influential Vancouver board of trade was submitted to the provincial government last month and its contents was of great importance to the fishing industry. Following a preamble which pointed up the need for preservation of the fishing industry the resolution stated:

I am just going to read the first three items because they refer specifically to the matter under discussion.

1. The board endorses the policy of the provincial government which is to expand the industrial output of this province, to develop the interior and northern areas and to wisely use and conserve our natural resources for the overall benefit of the people of British Columbia.

2. The board endorses the policy of the provincial government that no hydro developments will be permitted on commercial salmon producing rivers until it is proven that such developments will not adversely affect the salmon fisheries in any serious degree.

3. The board believes that the present and potential water of "non-fish" rivers should be utilized for the development of hydro-power before applications are considered for the use of water for such purpose on fish streams in order that increased hydro-power may be available while scientific work continues on the still unsolved problem of up and down stream migration of salmon past dams.

The view of the provincial government, as referred to by the Minister of Fisheries, was that no licence should be issued until this problem is overcome.

There is one other matter to which I should like to refer. I am just going to refer to it, and I am not going to spend any time enlarging upon it. I should like to mention the suggested diversion of the flood waters of the Columbia river into the Fraser. No doubt we have read the statement made by the chairman of the international Pacific salmon fisheries commission in this connection. Apparently he is very hesitant about placing any approval whatever on such a program. He refers to the different problems which must be overcome such as water temperature, content of water and so on, all of which could be seriously affected by the diversion of glacial waters into the Fraser river. I want to refer to an article in the Vancouver *Province* of Thursday, December 8, 1955, written by Alan Jessup. In this article we have a reference to this proposal, and I quote:

Furthermore, the suggestion of increasing the Fraser's power potential by diverting the head waters of the Columbia into the Fraser, also makes salmon interests shudder.

Fishermen argue that changes in water temperatures in spawning rivers have a direct effect on the survival of fingerlings. They contend that to divert waters on one river into another with subsequent changes in temperature could cause untold damage. It is further suggested that the Columbia, fed from ice fields, may be colder than the Fraser.

Fortunately fishing and power interests have graduated from the initial intolerance each displayed toward the other. Both are anxious to reach a compromise. But on the cold, hard facts of the salmon's life cycle there is not too much room for compromise.

I am sure every safeguard will be taken and this matter will be thoroughly investigated before any action is taken.

I should like to make just a brief reference to the matter of fishermen and their relation to unemployment insurance benefits. I have a letter from the United Fishermen and Allied Workers' Union dated August 11, 1955. I should like to quote one paragraph which has a special reference to this matter.

As you are no doubt aware, our union has been campaigning for a number of years for unemployment insurance to be provided to all commercial fishermen. We were very disturbed to find that parliament did not move more forcibly in the direction of unemployment insurance for fishermen at the last session.

We noted there were promises made to the effect that there would be further investigation and hope expressed in the near future commercial fishermen would obtain coverage under the Unemployment Insurance Act. However, these promises and hopes will not answer the critical problems facing the commercial fishermen of British Columbia this year. That is why we are writing to you at this time and urging you to take immediate action on behalf of the fishermen.

I had the privilege of attending a very large meeting of the fishermen last fall in the city of New Westminster where this was one of the matters under discussion and consideration. At that meeting we were requested to give our support to their proposals and their request for unemployment insurance benefits. In this connection, it was suggested that in order to assure the coverage of fishermen by this act coverage should be extended to all bona fide commercial fishermen whether they were gill netters, seiners or trawlers, and also for the purposes of the act the buyer of the catch should be classified as an employer. I believe it is one of the problems that was mentioned, to designate the employer relationship.

At that meeting a certain survey that was conducted by the unemployment insurance

commission in 1951 was referred to. I have not seen the report, but it was referred to in that meeting. In that survey it was stated that the problem of establishing employer relationship would not be insuperable. It also suggested that the obvious person would be the purchaser of the catch. I just pass these suggestions along from this meeting of the fishermen which I had the privilege to attend. I am sure that in the consideration of this matter the unions would have other suggestions which would be of assistance. I hope the minister will make some reference to this matter when he closes the debate.

These are some of the matters that I wanted to bring to the attention of the minister at this time. I repeat, we are vitally interested in this industry; we know the Minister of Fisheries is also vitally interested in it. His enthusiasm and energy are appreciated, and I trust that in the further continued administration of his department every possible way will be explored to extend the value of this industry in the economy of Canada.

Mr. Carter: Mr. Chairman, before coming to the remarks which I wish to make on this item I should like to associate myself with the sentiments that have been expressed by previous speakers and say how glad I am to see the minister back in his seat again and restored once more to his usual health and vigour. I should like also to compliment him on the clear and concise exposition which he gave us this morning on the introduction of his estimates, and also on his vivid and graphic description of the problem facing his department, particularly on the west coast.

May I also say how pleasant it is to hear the word "fish" once more after sitting continuously for days on end and hearing nothing but wheat, wheat, wheat for the past three weeks.

Mr. Weir: Order.

Mr. Carter: In his remarks this morning the minister indicated that the over-all general picture was a little better than that of last year. This, of course, is not true in my own riding, and I do not think it is true in the over-all picture of my own province. The production was spotty, particularly in the shore fishery, and our production of light salted cod, our traditional product, was about 200,000 quintals lower than the previous year.

The minister expressed gratification at the continued expansion of fresh fish production. Continued expansion, of course, is good only if markets are available to absorb the surplus catch. There is a very great danger of over-production which would result of course in a softening of prices and lower returns to the fishermen.

As far as Newfoundland is concerned, continued expansion of fresh fish production at the expense of salt fish production would be little short of a calamity. In my opinion we have already proceeded too far along this road. The fresh fish industry alone cannot bring maximum prosperity to our Newfoundland fishermen for the simple reason that when the fish are running the fresh fish processing plants cannot handle the amount of fish that the fishermen can catch, and consequently their production is limited to the capacity of the plant.

In Newfoundland, expansion of the fresh and salt fish industry should go hand-in-hand so that the surplus fish which the plants are unable to handle could be put up in salted or pickled form. Our two greatest needs in Newfoundland are expansion of markets and outlets and a greater diversification of our fisheries and fish products so that the fisherman can be employed continuously at his occupation and at the same time be able to sell all the fish that he can produce.

Personally, I am a great believer in the future of the salt fish industry. In spite of the difficulties now being experienced, I believe that from the long-range point of view it can become more stable and less vulnerable than the fresh fish industry. There will always be a market for salt fish because it is an essential food and a valuable source of protein and salt which are essential to the health and nourishment of peoples who live in hot climates.

I believe the time will come when our own traditional markets, our traditional Mediterranean markets, will expand once more to their former proportions. In the very nature of things, as a result of industrial forces such as automation, as well as of other forces, sociological and ideological, the time must come when the people of Spain, Portugal, Italy and Greece will enjoy a much higher standard of living than they do today. That day may be long delayed, but it is certain to come, and when it arrives our fish will then be more competitive in those markets. I also look forward to the day when we shall once more be sending salt fish to Brazil, which at one time took as many as half a million quintals from us. Brazil is a country blessed with tremendous national wealth and the day will come when that wealth will be developed and Brazil will be on her way to economic recovery. Anything that we as a nation can do to hasten that day will be of great benefit to Newfoundland because Brazil can absorb practically our total production of salt fish.

The recovery of the salt cod industry is, of course, dependent upon quality production. I had hoped that the minister would have made some reference to bonus payments for

choice and prime Italian and Spanish cures to encourage quality production for those markets.

The minister referred this morning to the salt rebate which he announced last year. On the whole I believe that the salt rebate has been fairly successful although of course in the minds of fishermen it has not been anything like the cash equivalent of the price support payments or deficiency payments which they had formerly received. There is, however, one aspect of this salt rebate question which is worthy of consideration. Because the amount of salt used in producing heavy salted fish is almost twice as much as that which is used in producing light salted fish, one effect of the rebate has been to encourage the production of heavy salted fish at the expense of the production of light salted fish. It is estimated that possibly we could have sold 200,000 quintals more of light salted fish than what was produced. Light salted fish is, after all, our traditional product. History tells us that the light salted fish in Newfoundland goes back to the days of the Napoleonic wars when the British fleet had blockaded the coast of eastern Europe and supplies of salt were not available. Necessity became the mother of invention and our people developed the process of curing the fish with about half the amount of salt they would normally use. This came to be a very distinctive product of Newfoundland, one that was specially favoured in Mediterranean markets and one that we must endeavour to keep at all costs.

If we are to encourage the production of light salted fish and offset the effect of the present salt rebate we should have a different rate of rebate for light salted fish from that which we have for heavy salted fish. In fact, to equalize the two, the rebate should be doubled or practically 100 per cent on light salted fish. It certainly should not be less than 90 per cent. This would also benefit the fishermen of Nova Scotia because it would prevent an oversupply of heavy salted fish which would tend to soften the prices in the Nova Scotian markets.

While I am speaking about the salt rebate, Mr. Chairman, I should like to point out to the minister that the forms drawn up in connection with this rebate are far too complicated for the ordinary fisherman to cope with; indeed, one would almost require a college degree to be able to fill them out correctly. Some of the fishermen in my own constituency had great difficulty with these forms and they were very resentful of the fact that after having received assistance from the teacher, the priest, or the magistrate or whoever came along, these forms were returned for correction after considerable delay and in some cases the amount of salt that they used was questioned.

In transactions involving the purchase and selling of salt fish there is a great need for much more uniformity in weights and measures than exists at the present time. For example, in Newfoundland 1 hundredweight of fish is 112 pounds. In the maritimes 1 hundredweight of fish is 100 pounds. The Newfoundland fisherman who sells his fish by the hundredweight therefore has a loss of about 12 per cent on his transaction as compared with his counterpart on the mainland. To solve this problem I would suggest that regulations should be drawn up which would compel that fish be sold everywhere by the pound.

There is also a wide discrepancy in the way fish are measured which has a very distinct bearing on the cull. In Newfoundland the length of a fish is measured as the distance between the hollow part of the nape and the small part of the tail. On the mainland the length of the fish is the total over-all length from the peak of the nape to the tip of the tail. Thus an 8-inch fish which would be classed as a small fish in Newfoundland would be considered well over a 12-inch fish on the mainland. Similarly an 18-inch fish which would be considered as medium in Newfoundland would be classed as being over 22 inches in the maritimes, which results in a much greater return due to the difference in cull.

I should also like to see established the practice of selling and using salt by weight instead of by volume. In this way I believe we could develop a much more definite and precise line of distinction between fish classed as heavy salted and that which is called light salted. At the present time, with salt being used by the volume, there is a great deal of overlapping and different degrees of heavy and light salted fish, which is not in the best interests of quality production.

I said a few minutes ago that our greatest needs are more outlets and greater diversification. More imagination is needed in the development of fish products. In addition to the different ways in which salted and pickled fish can be processed I believe more attention should be given to the canning of fish, both fresh and salted. For example, fish cakes can be made either from fresh or salted fish and in each case they are delicious when served with onions and potatoes. I believe a product could be made up which would prove most acceptable in the domestic market. I hope that in time it may be possible to develop a food product made up of a blend of fish proteins and wheat, something which is causing so much trouble for our friends

on the prairies. We would thus be able to kill two birds with one stone.

I was glad to hear the minister refer this morning to the extension of the domestic market and in this connection I should like to pay a tribute to the Canadian National Railways for the lead they have given in the development of the Canex container. Now anyone who travels on the Canadian National Railways can enjoy a meal of delicious fish made possible by the use of this container. I hope that samples of this fish will be made available in our parliamentary restaurant and perhaps the minister could arrange with Mr. Donald Gordon to have samples cooked up in the Union station restaurant and at other stations along the railroad. He might consider also giving out samples to advertise this quality product.

Since the Newfoundland minister is the minister of immigration perhaps samples of Italian cured fish could be made up and presented to Italian immigrants when they come to this country. On second thought, perhaps it would be worth while to ship samples overseas to be distributed to prospective applicants before they even consider coming to this country.

I have said before that our two chief needs are markets and outlets and diversification. I give those two prior position over the means of production because I think it is unbusiness-like to consider improving the means of production until we have found a way to dispose of all we can catch with the means of production we now have.

However, there is considerable interest in the mechanization of our fisheries in Newfoundland and in this connection I should like to point out to the minister the need of a more flexible system of bounties than we now have. Many of my fishermen are not taking advantage of the federal bounty because in order to do so they must build a boat which they consider is far heavier than they need. Being far heavier it would be more expensive to handle, to keep up and maintain, and when the planks became waterlogged after a few years she would be heavier in the water and therefore more difficult to propel. I would suggest that the present system of bounties be revised so that they would be available for much smaller boats than is now the case. I think perhaps there could be two or three classes, perhaps for boats of ten tons and boats of twenty tons.

I should like to say something about the bait service but I shall deal with this matter at greater length when that particular item is before the committee.

I was disappointed this morning when the minister made no reference to unemployment insurance benefits for fishermen. When the prices support item is before the committee I hope to say a few words on that subject and discuss the problem of stabilizing the fisherman's income.

Before I close I should like to say a word about the fisheries development program. I believe that what we need is an over-all program which would embrace, not only Newfoundland but all the Atlantic provinces. I think we are making a big mistake in going about our fisheries development program piecemeal without any correlation or integration. We have plenty of competitors in the world markets without having to spend time and energy competing among ourselves. I believe that if we take this approach to the problem it will be much better in the long run, not only for the fishermen of my province but for all the fishermen of eastern Canada.

Mr. Bell: Mr. Chairman, I should like to refer briefly and generally to the royal commission on Canada's economic prospects and the treatment that it gave to the fisheries field generally. Someone has said that if the Gordon commission did nothing else but get Canadians to imagine what their country will be 20 or 30 years from now it will have justified its existence.

Fisheries were referred to in the excellent brief presented by the fisheries council of Canada, and I understand also that some of the provinces dealt with fisheries in their own briefs. I have not had time to read and study the fisheries council brief in detail, but I should like to refer briefly to four or five points which were mentioned as being of importance. Significantly they are points that have future consideration which I think is most important in the fisheries business today.

The first reference was to immigration. I think it would be an excellent idea to consider the immigration of fishermen to Canada. This could be handled somewhat like the agricultural worker. These men could be induced to come here with their special training and thus add something to our culture. There would be limitations upon what could be done with them. I suppose it would be necessary to insist that they stay in their intended occupation and perhaps some assistance could be given. It is an excellent idea and I do not anticipate that there would be much difficulty with the present minister of immigration, who appreciates the sea and fishermen and all that is connected with them. The minister of immigration has a further interest in the sea now that he is the owner of a small vessel.

In their brief the fisheries council dealt also with power plants constructed on our streams and rivers, and their effects upon the fishing industry. The Minister of Fisheries has gone in considerable detail into the problems out west. We have exactly the same problem on the Saint John river. I shall not mention that, but there is a further problem that is of a slightly different nature. That concerns the power dams that are being discussed now with regard to the bay of Fundy itself. Of course, as has been mentioned in the past, the future of the fishing industry will have to be seriously considered if this dam takes shape in the bay of Fundy.

I was interested to hear the minister mention that out west experiments have been made in training the fish to follow various scents at dams. I do not remember whether the minister said they followed noise or sounds, but I read in the newspaper a short while ago that at Bowdoin college in Maine they have been able to train fish or cause them to follow various musical notes, and they expect that in the future a pied piper going up and down the banks of the river will lead the fish through the various obstacles that may be there.

Third, mention was made in their brief, and rightly so, of federal aid for research. Last night I managed to squeeze in a few remarks regarding fisheries research in the discussion on the research committee. Most of the members took the opportunity to get into the atomic field, but I feel—and I know the minister agrees—that it is very important that federal aid and federal research generally be discussed and stimulated through this new field that is open to us now.

In regard to the Saltonstall-Kennedy hearings in the United States which I mentioned last night, with which I know the minister is quite familiar, it was not the legislation, perhaps, that was important; it was the fact that so many experts attended and so much publicity was given to the hearings when the committee was considering this bill in 1954. I feel that would tie in with future needs, the stimulation and interest that would be given in our research committee if fisheries were on the list of subjects.

I do not wish to say any more on that except to repeat what I said last night, that I realize the minister is research-conscious. I also know that the fisheries department has a very commendable research program now. It has about a half or three quarters of the landed catch invested in research but, after all, we do need more money and better research. The investment will be returned in the future.

[Mr. Bell.]

Fourth, the United States markets were mentioned. I was quite pleased to see the fisheries research council mention this, because we are very much concerned about those markets. I do not want to go into a discussion of tariffs in general here, but I feel that in the maritimes now we have something good in the fish sticks, something the United States market wants. We feel it is a hardship to be taxed so heavily by tariffs that it is almost impossible to get finished sticks into the United States market. We are always going to have an unfavourable balance of trade with the United States, as things look now. Why not take cognizance of that fact and compensate for it by recognizing that we have a product here that the people in the United States want? It could not possibly disrupt any other markets. We want to encourage this industry, and it would help us to be able to export one of the few finished products we shall ever have.

Those are the remarks the fisheries council made. May I just refer briefly to the New Brunswick brief presented to the royal commission on Canada's economic prospects, which dealt briefly with the fishing industry in that province. Some early history was mentioned at the beginning of their brief, and they brought the picture up to the post-war period when they were, quite rightly, hopeful of the future. The capital investment and the general catch has been good since 1945, and they made note of that.

The consumption was mentioned. The consumption of the maritimes generally is quite low. I have noted a discrepancy in their figures. The minister has stated on previous occasions that the maritimes have a consumption of about 15 pounds a year, but the New Brunswick delegation stated in their brief that we have a consumption of up to 35 pounds. I do not know whether that applies only to some cities or whether it is general, but I feel it is important to know who is consuming the fish in Canada.

In Canada generally consumption is about 13 or 14 pounds per year, and much can be done there. Perhaps the minister can comment on that. Of course, the competition maritime fish products meet in the central Canadian markets is tough and always will be tough. We have to fall back on our luxury fish such as oysters, lobsters and the fine maritimes salmon.

Mr. Nowlan: We have good codfish, too.

Mr. Bell: Yes. After the remarks that have been made in a good vein, I must say with regard to the parliamentary restaurant, that there has been a notable upward trend in the quality and quantity of the fish on its menu, and it deserves a great deal of credit for that.

Reference was also made to the biological interest that we have in New Brunswick regarding the fishing industry. I should like to mention the fact that we have a biological station on the east coast at St. Andrews. There is a smaller facility of the fisheries department at Saint John. Recently there have been certain moves and discussions regarding the possible transfer of two departments, I believe, from St. Andrews to Halifax. I appreciate the difficulty the minister has there. I should imagine his experts and those who know what can be accomplished by that concentration have told him that it would be better to move some of the departments to Halifax. I believe he has promised to consider this matter and has said that for the time being these changes will be dropped, but I would suggest to the minister that there is quite a need for biological study in the bay of Fundy. We have the Saltonstall-Kennedy legislation, which I have mentioned. I understand that vessels are being provided out of these funds and are going right into the bay of Fundy itself. It is essential that co-operation should exist, and this interest in the bay of Fundy should be continued.

Then the New Brunswick economic brief dealt with some suggestions which I should like to mention here today for the consideration of the department. First of all it mentioned that our fishing units are small, and there must be a trend toward larger units. That is difficult to accomplish. I understand that there would be difficulties owing to personal connections; but I feel—and I think nearly everybody will agree—that any concentration or centralization is desirable, and the interests of the individuals are probably looked after by the co-operatives and the other small units. In other words we do not have to fear a monopoly in the fishing industry, because these other factors limit any of the dangers of a monopoly.

Conservation has already been dealt with today by the minister himself and by other speakers. In my area there are three species of fish that are worthy of special consideration. The clam has its problems. The green crab is always bothering it; but the new clamdiggers and other inventions will in the future help us to preserve this valuable fish. Lobster is also a delicacy and enjoys quite a good market, but there are many problems connected with it. The lobster industry now has the new steel traps which are a hope for the future.

Conservation measures in the lobster industry are very controversial. I understand that a member of the department recently said, and I was quite pleased to hear him speak out, that the closures in the season have not been proved definitely of value, and there is certainly more room for experimentation there.

As the minister said, the salmon constitute our greatest challenge, and I think he meant that particularly with reference to the east coast because we are faced with a tremendous problem there. I am not sure of my information, but I read a while ago that the New Brunswick regional supervisor had retired and I understand that his replacement still remains in Halifax. While I realize that he may be just as capable an individual, we feel that an on the spot, experienced man who could give attention to the particular requirements of the salmon industry would be desirable.

Having said that much about salmon, I simply wish to say that I believe a strong decision by the department, tough as it may be, is necessary. We are coming to the day when somebody has to be hurt in the protection of our salmon interests down there and, as I say, a strong stand is necessary based on what the experts feel is best for the future of that industry. Otherwise we will just be like any other area that becomes industrialized. It will be the end of the salmon. I read the other day that the Don river in Toronto was once one of the greatest spawning grounds in North America, and I could not help but think that we are really up against time more than anything else as far as the future of this specialized industry is concerned.

Transportation has been mentioned by the hon. member for Digby-Annapolis-Kings, and again I should like to urge consideration of this matter. It was also mentioned in the New Brunswick brief. We need refrigerated cars and attention to these matters so that the competition we meet in the central market will be lessened and fresh fish will be enabled to go into that and other fields.

These are my thoughts, Mr. Chairman. I believe that the briefs and other information given to the Gordon commission are definitely of interest to us. I know that the department has probably taken considerable note of them, particularly the fisheries research council, and these are our hopes for the future. My own personal thoughts are somewhat the same as those of the previous speaker. I think there are little matters as far as the department is concerned that can be looked into and that research, conservation and other problems can be furthered. What we need in the fisheries field today is a little more stimulation and imagination, which the research committee could give. That would create interest

throughout Canada, bring about improvement with respect to our salmon, and the future of the fisheries would be secured.

In this connection I should like to say finally that in my opinion the minister's trip to Russia was certainly stimulating and imaginative. While it may have been costly, it was the kind of advertising I mean because everybody was aware that the minister was over there on matters having to do with fishing and whaling, and the trip had its good effects. We are pleased to see the minister in good health, and look forward to discussing in detail the further items of the estimates.

Mr. Cameron (Nanaimo): Mr. Chairman, I am not going to add to the congratulations that have been showered on the minister. I am sure he has had enough, and at any rate he comes from British Columbia and has merely displayed the ability that we expect from a cabinet minister from British Columbia.

It is interesting to note, Mr. Chairman, that one of the first matters to engage the attention of the first government of Canada was the question of protecting our fisheries from the encroachments of foreign fishermen. I suppose that struggle has gone on to some extent to the present day.

I am glad to take part in this debate because for one thing the Pacific biological station is situated at Departure Bay on the outskirts of Nanaimo, and I should like to pay tribute now to the staff of that station for the excellent work they have been doing.

A very encouraging development lately that I have come across has been the growing appreciation on the part of fishermen of the work of the scientists at the Departure Bay station. It has replaced the former rather sceptical attitude, the attitude of the practical man to the trained professional scientist. That point of view is now changing and I think this is quite largely due to the work of the staff members there. I noted last year that they went to the trouble of establishing a very interesting display at the fall fair in Nanaimo, which attracted a great deal of attention and large crowds. I have also noted the manner in which the staff members have made their services available to various local organizations through lectures on their particular subjects. It is to be hoped that the funds made available to this station will certainly not be decreased and will, if necessary, be increased. As I say, the fact that the fishermen are now realizing the value of the work will give added support to it.

I was relieved and reassured by the statements of the minister with regard to the problem of power versus fish. Whether or not there is a final ultimate solution to the problem I do not know. I do not know if anybody does, but I am always rather reluctant to see sources of food supply endangered for any other purpose whatever. One of the first things we have to do is eat, and to destroy a source of food supply for a possible advantage in another field is, I think, a very shortsighted policy. I was relieved to hear the minister say that those who are interested in the development of power have now reached the conclusion that they must adapt their operations to the maintenance of our large fishing industry on the Pacific coast.

There are one or two matters I want to bring to the minister's attention at this point because I can see no other place in the estimates to do it. During his address this morning he mentioned the fact that the department has been encouraging the fishermen to fish in the deep sea waters, the open waters off the shore. I have had quite a number of discussions with fishermen in my constituency on this question. Whether or not the suspicion is well grounded I do not know, but I am reporting it to the minister. Many of them seem to feel that the department is pursuing a policy intended to result in having more of the fishing conducted on the Pacific coast by the newer type higher-powered vessels than has been the case in the past, and that one of the methods by which the department is seeking to encourage offshore fishing is by imposing ever more rigid closure seasons on the inside waters. Many of the gill netters and the trollers feel that they are in effect going to be squeezed out of the industry.

I realize, of course, as the minister does, that there is and always has been this battle of the gears going on, more efficient methods driving out less efficient methods, but on the other hand I think we have to remember what the minister told us this morning, that for many fishermen it is not merely a means of livelihood but a way of life. In that regard I know that many of them feel, whether or not it is justified, that the department's policies are endangering their continuation in that way of life.

I have also heard some complaints with regard to the effect of the beam trawlers on certain species of fish. I have heard definite complaints that they have had a most destructive effect on the ling cod supply in the enclosed waters and also on the groundfish that my colleague, the hon. member for Comox-Alberni, mentioned earlier today; that these deep trawlers are scraping the bottom of every living thing and that much of it is being destroyed. Again, that is a matter on which one would have to have expert evidence. I am reporting these things to the

minister for his consideration because these are complaints that I have heard.

There is another matter which affects not merely the Department of Fisheries but also the Department of Citizenship and Immigration. I am rather glad the minister is in his seat. This matter concerns the fishing rights of Indians on rivers. I met with the council of the Cowichan band of Indians before I came east to Ottawa. They placed before me their complaint in this regard. I may say they were able to back up their claim with documentary evidence in the form of agreements signed many, many years ago, which provided that they were to be permitted to continue using weirs on the river, particularly on the Cowichan river, as had been their custom from time immemorial.

This right was abrogated, but in return they were to have certain other fishing rights which they claim they have not been granted. Many of them feel they would like now to go back to the old weir system. I tried to persuade them that was an impossible policy and would be a contradiction to any proper system of fisheries conservation. I do suggest, however, that these Indians have a legitimate grievance and there should be some compensation paid them for the forfeiture of these ancient rights which have been prescribed in definite agreements.

Those are the matters I particularly wanted to bring to the minister's attention. I was hoping that we might have heard from him, and perhaps we may hear on a later occasion, some information with regard to his inquiries into the fishing industry in Russia. I believe that would be of great interest to us. I realize it has nothing to do with the administration of his department, but I should like to express the hope he will seize the first opportunity to give us some description of the sort of industry he discovered there and his opinion as to whether or not their methods could be adapted to our own fishing industry.

Mr. Pearkes: I cannot resist the desire to congratulate the minister on his return and restoration to good health. I am certain that his department still needs a guiding hand. There is a great deal of work to be done for the fishery industry of this country. I am sincerely delighted to see him looking so well.

During his speech this morning the minister referred, as I did on February 21, to this all-important question of power versus fish on fish-producing streams in British Columbia. This problem overshadows all other problems in so far as the fishing industry of British Columbia is concerned. The minister called attention to the value of our salmon fisheries industry, $25 million to $50 million, but we are faced with the fact that other industries which will be developed from the power produced on our rivers exceed that amount by many, many times.

As I pointed out previously, only a very small proportion of the horsepower which is available in British Columbia is at present being utilized. There are power-hungry industries crying out and straining every nerve to find additional sources of power. Now, we can either sit down and do nothing about this, or else inaugurate a very active and vigorous program to find out how to pass the fish up and down stream over, around or through these various obstacles. There are diverters with which experiments are being conducted; there are different types of spillways, fishways and so forth. However, the problem has not so far been solved. Whether it is by light, electricity, sound or scent, a solution must be found and we cannot take half measures.

I do not think any reasonable amount of money expended in the search for a solution will be money wasted. Of course we are pleased to hear of the very generous donations which have been made to the University of British Columbia by industry to assist the federal government and the universities in finding the answer to this problem. But again, the federal government cannot sit back and leave it entirely to industry to solve the problem. I believe that under the Fisheries Act the minister has certain powers. Well, it is not the use of prohibitive powers we want, it is positive work that we must have. Having referred to this matter previously, I do not intend to pursue that subject any longer. Again I stress that it is the most important of all the problems with which we are faced.

The minister referred to the closure of San Juan strait, and that is a very serious problem for the fishermen of my constituency on Vancouver island. The fishermen from Vancouver island have been following the policy which the government suggested and have been operating farther and farther out to sea, thereby catching a better quality of fish. Now, why should we surrender that advantage? At first we thought we would have to surrender the right to fish on the Canadian side and have only fishing on the American side. I am glad that has been adjusted. I do not see why the right to catch the best quality of fish should be given up in order that second rate fish may be caught in the straits of Georgia or elsewhere. Surely some other form of conservation could be used. I am quite certain that the fishermen of

Vancouver island are just as anxious to conserve the fish as any other part of the industry, but that they should be asked to carry all the load is something which seems to me unfair.

Then I would raise this question. If you are going to put on this closure on the sockeye, is that going to apply to the other species, the cohoe and the pink? It is extremely difficult to separate those various species because the runs are, in part, simultaneous. A person may be out fishing for pinks and inadvertently catch a spring because the runs overlap. I say, therefore, it is extremely difficult to permit the catching of one type of salmon and prohibit the catching of another type at the same time. I feel that there must be some other way in which conservation can be enforced.

Then I should like to ask whether that is going to apply to the sports fishermen as well. During the fisheries estimates last year I discussed the question of licences. There was an order in council passed which limited the type of individual who could apply for a commercial licence. We are faced with the fact that a good many people take out a licence to supplement their normal means of livelihood by catching fish commercially during a short period of time. They are business and professional men. They take their summer holidays, take out a commercial licence and go fishing. But, then there is the straight sports fisherman. Is he to be barred from fishing in those waters? If so it may have quite a serious effect upon our tourist industry. The attraction of being able to fish during the summertime in those waters brings many people to the district.

When the minister replies I wonder whether he can tell us how many licences were issued last year. According to the order in council which was passed, I believe the licences were limited to Canadian citizens or ex-members of the armed forces, and there had to be a certificate to the effect that they were engaged in catching fish for sale. These were the general qualifications. There were some other exemptions regarding British subjects who had previously been fishing and men who had been helpers.

When the minister replies I wonder whether he can give us information as to the effect of that order in council, whether the number of licences issued has been reduced in any way; whether he has found that there have been any large number of applications from people who were British subjects but not Canadians, and whether the helper clause has been conducive to getting young men to come and enter the fishing business, sons of fishermen and so forth, which is almost a sort of apprentice class.

There is just one other point I wanted to raise. The minister referred in his final sentence to the question of the pay which fishermen receive. He called attention to the fact that fishermen were one of the more poorly paid classes of people. I am going to be unkind for a moment; I am going to tell him to look at the mote in his own eye, because his fishery officers are the poorest paid officers in any of the departments. I happen to know some of these young men who are acting as fishery officers in British Columbia. I know they are extremely conscientious and hard-working. They are out in all kinds of weather and under circumstances which are quite trying, on account of the fact that often they have to get wet, and go through the bush and up and down the streams at all times of the year, sometimes in very severe weather.

I want to call the minister's attention to these figures which I jotted down this morning. I have taken only one of the junior grades, grade III fishery officer. His salary ranges from $3,870 to $4,260. A grade III commissioner in the civil service starts at $4,290. In the Department of Citizenship and Immigration a grade III officer runs from $4,750 to $5,500; whereas a grade III field officer in the Department of Agriculture, which is somewhat similar, starts at $4,110 and goes up to $4,500, and in another branch of the same department from $4,170 to $4,920.

Perhaps the minister would take that up with the civil service commission. I bring to his attention the fact that his own officers are poorly paid. I know they do good work. I speak feelingly in connection with that. Perhaps if he can bring his field officers in line with the field officers of similar grades in other services it might stimulate an increase all through the industry. We have to raise the standard of the fisheries department and the fishery industry, and not have it regarded as a depressed and poorly paid industry. We cannot make progress if we continue to accept that condition.

In his remarks the minister did not give us the conclusion which had been reached in connection with the prolonged meetings which have been going on in Washington or New York regarding the fur seal. We do not seem to have received any answer. I am glad that after all these years it is now recognized that there are others who feel that perhaps there are too many fur seals. I called attention to that some years ago and I did not get very favourable response. I am pleased that this has been noted.

Then, of course, there is the age old question of the 3-mile limit. We want that settled as far as Hecate straits and the waters around the Queen Charlotte islands are concerned. We are told again that there have been commissions sitting on it. We would like to hear the results of the commissions' work rather than the mere fact that they are sitting. We have been told that they have been sitting for at least three years. Surely they must have reached some conclusion.

Mr. Kirk (Shelburne-Yarmouth-Clare): Mr. Chairman, rather than repeat what has been said to the Minister of Fisheries I will just tell him what one of the fishermen said to me when he heard of his accident which took place in Russia, as you know, last summer. He said to me, "Tell him that just at the time when at last we really have someone who is more interested in fisheries than any other minister we ever had—" and I will leave out a few other words— "they have ruined our chances forever". I think that expresses pretty well the feelings of the fishermen of the area, and certainly it expresses the feelings of the members of the house who have spoken today.

I should like to draw the attention of the committee to one fact, and I do it particularly for the benefit of some of my fellow Nova Scotians who, because of their innate modesty—

Mr. Knowles: Hear, hear.

Mr. Kirk (Shelburne-Yarmouth-Clare): —rather hesitate—I am referring to other Nova Scotians—to refer to the amount of fish that is caught in their province or in their constituencies, or the value of the fish. But thanks to a question put on the order paper by the hon. member for Halifax it was drawn to the attention of the house that in the western part of Nova Scotia, in the constituency of Shelburne-Yarmouth-Clare, the constituency in fact which my friend who just made the interjection is very proud of—I understand that although he did not have the honour of being born there his ancestors came from there—more fish are landed than in any other constituency in Nova Scotia, and their landed value in dollars is greater than in any other constituency in Nova Scotia. I thank the hon. member for Halifax for having brought that to the attention of the house.

There are three or four items I should like to mention, which have been mentioned by the Minister of Fisheries. I do not intend to speak at any length, but I would like to mention first of all to what our fishermen generally refer to as the insurance plan, but which I notice the Department of Fisheries refers to as the indemnity plan. They can call it what they like. As far as we are concerned it is an excellent plan, and our people were most appreciative when it was established. It has been very successful as far as I can find out on both coasts, and particularly in my own area in so far as insurance on vessels and boats is concerned, but it has not been so successful in so far as insurance or indemnity on lobster traps is concerned.

I have talked to a great many fishermen. Many of them have taken advantage of it and they have spoken to others about it, but there still seems to be a certain group of fishermen who do not wish to take advantage of such an indemnity plan although I do not understand why. It is an excellent plan, the rates are not high and the protection is worth a great deal. Perhaps the greatest evidence we had of that was at the time of the hurricane in September, 1954, when so many boats were damaged and so many traps lost.

I should like to say to the minister that by and large even those who have not taken advantage of this plan think it is a good one, and I do hope that as time goes on more fishermen will take advantage of this plan.

When the minister brought into the house his bill for fisheries improvement loans he mentioned that it was impossible to do this until such time as such an insurance or indemnity plan had been established. I realize that this bill which was only introduced last June has not been in effect long enough for us to be certain what its effect will be, but here again the reports are most favourable and I hope when the minister replies to the various questions and comments that have been made he will give us some idea of how many fishermen have taken advantage of this act, and what loans have been made. Perhaps he will say whether or not he feels, as we in our area do, that its success is assured and that over a period of two or three years it will mean to the fishermen what the Farm Improvement Loans Act has meant to the farmer after the first two or three years of its operation.

So far as the salt fish rebate is concerned I am very much inclined to agree with the hon. member for Burin-Burgeo. I think the plan has been a good one. I know that our fishermen object to some of the forms that have to be filled in—perhaps I should say the forms which have to be completed—but I have never seen anyone who has a form to complete who has not felt that the form was too long and too complicated. The main point, however, is that the idea was good and

it may well be that there will be a different percentage for the light cured fish.

The question concerning territorial waters, which I have mentioned on several occasions, has been mentioned two or three times today. I do not know that any answer can be given at the present time, but I have done quite a bit of reading on the matter and I must confess that the more I read the more I realize the complications in the problem. I liked the phrase which I read in one of the fisheries bulletins which went something like this: "The legal position in relation to the breadth of territorial waters therefore remains unsatisfactory." I cannot think of a nicer way of expressing what has been the cause of a great disturbance to all of us over a period of years with reference to the 3-mile limit and the 12-mile limit and the bit of water between the 3-mile limit and the 12-mile limit which our trawlers cannot make use of but which United States trawlers can. It is some satisfaction to all of us to know that the matter is being studied, that the Curtis commission has reported that the international law commission recognizes that the practice is not uniform throughout the world, and that some attempt is being made to meet what is a difficult situation.

May I say to the minister that in my constituency there are three or four fish firms that have taken advantage of the bait freezer assistance. They think the plan is an excellent one, and I should like to see more of the smaller fishing plants in the smaller communities take advantage of such a plan. I think they would do so if they realized the amount of good that such a plan can accomplish, the number of fishermen who could make use of it and not have to travel 8, 12 or 15 miles by road or water in order to get their bait. I think there must be some way of simplifying the procedure through which we must go in order to obtain assistance for the establishment of a bait freezer. Perhaps I should not say the procedure should be simplified; I perhaps should have said that it needs to be expedited.

In talking with the fishermen at home during the last few months I have found that more and more they are becoming keenly interested in the protection service, particularly with reference to lobsters. Suggestions are being made by those in the fishing business, as well as the fishermen themselves, that this should be done and that it should be done in order to protect the lobster fisheries and in order to give a greater yield over a period of years.

Not long ago the Minister of Fisheries made an announcement concerning restrictions on the mesh size of the trawl fishing nets, and it has met with general approval. I think over a period of years conservation and protection have been meeting with general approval; and what is more important than anything else, it is meeting with the approval of those who are directly concerned, that is those who are actually doing the fishing themselves.

In conversation with members of the Department of Fisheries and with the minister himself over a period of two or three years, I have pointed out to this department that it is felt on our coast where we have the largest number of small-boat fishermen of any area in Nova Scotia, that we should have at least one larger fishery patrol vessel. I know there is one fairly large vessel which covers all the coast. We have all the smaller vessels and there is no question about the work that is being done by them; but the fishermen feel, particularly at the western end of Nova Scotia, that if we could have one large vessel 125 feet long which could be used more or less as a mother vessel along with the smaller boats in that area, and which could be used in times of emergency when the small fishing boats are broken down, it would be much more effective.

At the present moment it is difficult for the 65-foot patrol boats to get out in very bad weather, and that does seem to be the time when the fishing boats break down. When we look for a navy vessel or a transport vessel they are always so far away from the scene of the emergency that they do not prove very successful at the particular time. I am suggesting that our present plan of air-sea rescue could be improved greatly if we were to have one, two or three 120-foot or 125-foot patrol boats. I think I made it quite clear when speaking directly to the Minister of Fisheries that the people of western Nova Scotia are sure that when he makes that move he will find the most advantageous place for one of these larger vessels will be at the southwestern end of Nova Scotia.

I might ask the minister, while I am directing questions particularly to him, if he will give the house some idea of the success of the metal lobster traps with which the department has been experimenting in my own constituency.

I do not think even these few remarks, Mr. Chairman, should end without making reference to the fact that the Department of Fisheries is always in close touch with the Department of Public Works and the Department of Transport to find out from those departments and from the fishermen themselves their actual needs. For example, we can give assistance in protection and in marketing; we can give assistance and advice in

so far as the construction of boats is concerned, but all that is of little value to us if we do not have the proper wharves and breakwaters and the necessary dredging done in order that the fishermen can set out from those piers and wharves in order to get their catch. The same applies to the Department of Transport, which is concerned with channel marking, lights, fog alarms and so on.

I must say with due appreciation that all the officials of the departments I have just mentioned with whom I have been in contact have not only been most interested in their jobs but have been most courteous. I find in talking with the fishermen that they too appreciate the attitude of these departments. I do not think there is any better evidence of that than the attitude which is apparent from the top of the department right down to the lowest echelon. We hope that same forward looking policy which has been so much in evidence in the last few years will continue during the next few years.

Mr. Bryce: Mr. Chairman, first I should like to congratulate the minister upon being back safely, and hope that he will have good health from now on. I spoke to him when he came back but in case anyone should think I was missing him I do so again.

Perhaps I have no place in a discussion about fish because the fisheries in Manitoba are run by the Manitoba government, but I have always been greatly interested in fishing. I can remember back in 1900 or 1901 when I went out with fishermen on the Firth of Clyde fishing for herring, and I have never lost that desire to go out in a boat every chance I get.

I think the minister knows what I am going to talk about. I have always been interested in the co-operative fund which I know has been a boon and blessing to a lot of fishermen. I have made a visit or two to the east coast and I know the wonderful job that is being done. I notice there is an item in the estimates of $10,000 for British Columbia. I do not begrudge that in the least, but I would like to see some of this education being made available to the fishermen of the prairie provinces. It would be a wonderful thing if arrangements could be made to provide some of these educational facilities, because I know they would make good use of them.

I understood from the minister last year that fishermen's loans are now available to the fishermen of the prairie provinces. When the minister closes this debate I hope he will tell us about the indemnity fund. I know that would be a boon to the fishermen on lake Winnipeg and lake Manitoba. It would be a great help to them if they could have insurance for their boats. As a rule fishermen are not great on insurance, and they have never had the opportunity of getting cheap insurance. I do not know whether this comes from the department, but I presume it would come out of the consolidated revenue fund. I should like to see this extended to the prairies. I believe the problem last year was lack of staff but perhaps that can be overcome.

When the minister rises to speak would he tell us what progress is being made with the film that was being prepared on the northern lakes, where fishing conditions are similar to those on lake Winnipeg. Has the film been completed and will it be available this summer or fall for exhibition purposes?

I may say something more on the particular items, but will conclude now by congratulating the minister upon the paper he and his officials are putting out. It is a good paper, and it is an economical paper because it is printed on both sides.

(Translation):

Mr. Van Horne: Mr. Chairman, I wish to avail myself of this opportunity to speak of an increasingly serious condition, the disappearance of salmon from our rivers, like the Restigouche and its tributaries, along the shores of New Brunswick. Salmon is deserting our rivers and the federal government is not doing anything to remedy the situation. In this case, as in so many instances, it prefers to remain inactive.

I simply ask the government to launch an immediate investigation to determine what steps could be taken to restock the rivers of eastern Canada with salmon.

I also ask the government to take at once whatever means may be necessary to remedy the situation as a result of the inquiry.

Admittedly, past investigations into the economic development of the maritimes were followed by practical and helpful recommendations. There can be no doubt that if the federal government had acted upon the recommendations made as a result of such investigations, people in the maritimes would no longer suffer from the chronic economic depression which is driving our young men away from home and which compels too many of our citizens to live in an unbelievable and pitiable state of poverty unknown elsewhere in the country.

I ask that the investigation into the disappearance of salmon from our shores and

rivers be made with the firm intent to implement without delay resulting recommendations.

Moreover, why is the government penalizing our fishermen, like our farmers and farmhands, by depriving them of the benefits of unemployment insurance? Would the government deny that our fishermen, farmers and bushworkers are among the hardest working people in this country? From early morning until late at night, they spare no effort. The government agrees with that, but has neither the courage nor enough sense of duty to give justice to our fishermen and to our farmers, by extending to them the benefits of unemployment insurance. I urge the government to be fair, honest and loyal towards our fishermen, our farmers and their employees by making them eligible for unemployment insurance benefits.

I also ask the Department of Fisheries to put an end to its policy of discrimination as far as the restocking of lakes and rivers is concerned. I can prove that our good liberals have no trouble at all getting their lakes restocked with trout at no cost while any other group or person has to pay for that service.

I have given the Minister of Fisheries (Mr. Sinclair) some striking examples of that. I simply ask that the restocking of all our lakes, private and otherwise, and of all our rivers, with trout and other fish be carried out at no cost to the owners.

I also ask that a fishway be constructed at Grand Falls to allow the salmon and other fish to go up the Saint John river, which separates the United States and Canada. We all agree that the project would allow salmon to make their way to the top of Grand Falls. The minister himself, in a letter to me, apprized me of the fact that it would only be a matter of stocking the upper reaches of the Saint John river to ensure that the salmon would make their way up the river through this fishway.

I would also ask that a fish-breeding station be established immediately at St. Leonard, New Brunswick, to ensure the restocking of the lakes and rivers in Madawaska.

I hope that the Minister of Fisheries, now that his health is improved, may be able to look after the affairs of his department more actively. I was deeply concerned by the most unfortunate mishap he had during his trip in Russia.

I invite him to make a tour, or even several tours, in my province to see for himself the pitiable and inexcusable conditions his department tolerates in the northern part of New Brunswick.

(*Text*):

I do not wish to repeat in English what I have just said in French, save to bring to the attention of the house that our once great salmon fishing industry in our northern New Brunswick rivers is fast disappearing. I request that an immediate survey be made to determine the causes of the disappearance of our salmon, and I request that the recommendations resulting from this survey be implemented without delay.

In regard to salmon fishing, as in regard to almost everything else in the maritimes, we have been treated with the customary indifference, indolence and apathy so characteristic of the federal government. I ask the government to wake up and recognize the seriousness of this problem, which demands immediate attention and action.

For many a year the salmon fishing seasons on our famous rivers, such as the Restigouche, the Upsalquitch, the Kedgwick, were times of great activity and employment. All these rivers are heavy-laden with tradition, story and song. Many of our professional guides on these rivers enjoy international reputations. These famous rivers have played host to great anglers from all corners of the world. This once great sporting industry faces utter ruin unless action is taken, and taken now.

In this instance, as in so many others, such as in the development of hydroelectric power in New Brunswick, such as in the long overdue restoration of our confederation-guaranteed preferential freight rates, which have been permitted to rise 98 per cent since 1947, as in the building of the Chignecto canal, and as in so many other things, the government gives the impression that it considers us in the maritime provinces to be merely so many people in the way and that it would be happy to be rid of us.

An hon. Member: What nonsense!

An hon. Member: Only some people.

Mr. Van Horne: Let me say this. We are a part of Canada and we will be treated as Canadians. I say again and again and again, give us a square deal or quit. If this government cannot help us in regard to this particular problem, then let it stand aside and let us pass, to claim the heritage for our people that this great country can and will provide, just as soon as we have replaced this tired, old, weary government with the type of progressive government which only the Conservative party can provide.

Mr. Stick: I only have a few moments. I have listened to the tirade from the hon. member for Restigouche-Madawaska, who blames this government for almost everything. When we came into confederation a certain gentleman who was very prominent here in Ottawa said to me, "I hope you do not make the same mistake those in the maritimes make who for the past 80 years, since they joined confederation, have been grousing about it."

Mr. Nowlan: They did not join confederation—

Mr. Stick: May I say to the hon. member that, if he and the people of the maritimes show a little more energy themselves, probably they will get the treatment from Ottawa that they deserve.

Mr. Chairman, may I call it five o'clock?

The Deputy Chairman: It being five o'clock, the house will proceed with the consideration of private and public bills.

Item stands.

Progress reported.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): There are again several divorce bills on the order paper. Is it the wish of hon. members that they all be taken in one motion?

Mr. Knowles: Perhaps we should take them one at a time.

MARTHA BAILLY MAHER

Mr. C. E. Bennett (for Mr. Hunter) moved the second reading of Bill No. 124, for the relief of Martha Bailly Maher.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

HELENA ROY BUCKLAND

Mr. C. E. Bennett (for Mr. Hunter) moved the second reading of Bill No. 125, for the relief of Helena Roy Buckland.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

SYBIL VIOLET GODFREY RUSSELL

Mr. C. E. Bennett (for Mr. Hunter) moved the second reading of Bill No. 139, for the relief of Sybil Violet Godfrey Russell.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

ROSLYN YAGOD KIVENKO BELKIN

Mr. C. E. Bennett (for Mr. Hunter) moved the second reading of Bill No. 141, for the relief of Roslyn Yagod Kivenko Belkin.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

JESSIE MACFARLANE BOYLE ROBERTS

Mr. C. E. Bennett (for Mr. Hunter) moved the second reading of Bill No. 143, for the relief of Jessie MacFarlane Boyle Roberts.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

Mr. Lomer Brisson (Saguenay) moved the second reading of Bill No. 148, respecting Quebec North Shore and Labrador Railway Company.

Mr. Green: Could we have an explanation by the sponsor?

(Translation):

Mr. Brisson: Mr. Speaker—

Mr. Knowles: Hear, hear.

Mr. Brisson: —the Quebec North Shore and Labrador Railway Company was incorporated by an act of parliament in 1947. Under that act it was granted the privilege of building a railway line which was to run from Seven Islands harbour, on the St. Lawrence, to Ungava bay. Since then the said company has built a 355-mile line to Schefferville. I had the opportunity of looking over that line, and I can say that it is equal to any railway line in Canada.

The company has spent $125 million on building that railroad and another amount of $125 million on different facilities for the

mining of iron ore in Ungava. In 1955 the Iron Ore Company was already shipping 8,200,000 tons of ore from Seven Islands harbour and expects to ship 12 million tons in 1957.

The company has not yet completed construction of the railway up to Ungava bay and that is precisely why it is asking the house, by means of this bill, for a further 10 year delay in order to complete its construction.

I therefore propose that this bill be given second reading and that it be referred to the committee on railways, canals and telegraph lines, for consideration. There, members of the house wishing to have more details could obtain all information from the vice-president of the company, when he appears before the committee.

Mr. Green: Thank you very much.

(*Text*):

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I listened to the explanation of the hon. member for Saguenay with a great deal of interest but very little comprehension. However, I imagine he would be at the same disadvantage if I addressed the house in my mother tongue, which is Gaelic, so I make no apologies for not understanding him.

Mr. Knowles: Go ahead.

Mr. Gillis: The records of the house will show that in 1947, when the first bill was passed to permit the present company to build a railroad from Seven Islands through to Knob Lake I took objection to it on second reading. My objection was that the development of the natural resources of this country is contingent upon transportation, and as we had already decided to farm out the iron ore resources of part of Newfoundland and the Ungava region to companies largely controlled in the United States I figured at that time that the government of Canada should at least have the Canadian National Railways build the transportation line from Seven Islands up to where it is today around Knob Lake or Schefferville.

In the past our experience has been that while capital can be found by private companies to go into an area where there are natural resources to be exploited, the history of the Canadian National Railways shows very clearly that once the resource is exploited and there is no longer sufficient remuneration for the railroad to show a substantial profit, the squeeze is then on for Canadian National Railways to take over and maintain the service. We have loaded down that system with debt for a good many years, with the result that it was pretty well hamstrung until the government stepped in and accepted the responsibility. The unfortunate part of the whole thing is that when we have to take over a railroad we take over the bonds at par and assume all the financial responsibility as if it was a going concern, rather than letting it go into liquidation in the way that any other legitimate business would be treated in the event of bankruptcy.

Once you establish a railroad it has to be maintained. Service has to be given to the public whether it is profitable or otherwise to do so. The iron ore deposits are a wasting resource. All mining operations are. The ore is taken out and sooner or later the resource is depleted. If this should be the only industry or resource in the area and the time should come that the railroad is no longer profitable, then the C.N.R. will be saddled with its operation.

Part of the road has already been built. Some 355 miles have been completed and put in operation. Iron ore is being taken out, and the railroad is performing the service for which it was intended. But there are still 300 miles of the line to be completed from Knob lake to Ungava bay. Some $123 million has been spent already in developing the line that has been completed and it would appear that it will take that much, if not more, to complete the rest.

Of course exploration has not been completed in the area that the road under consideration now will serve, and no one is sure exactly what will be found. Nevertheless these people want to proceed with the line. In view of the fact that the company already has over 300 miles of line, some considerable mileage of which is in Quebec and some in Labrador, I think the government should still consider while we are discussing the principle of this bill if we should not retain some rights for the Canadian people in that area.

The iron ore deposits are in the hands of United States companies. I have talked to people who have been in the area, and these companies are doing as they like with respect to the maintenance of towns and so forth. In my opinion the future of the North American continent is based on steel, and the sections of this continent that have the basic steel industries in their hands for the foreseeable future are the people who are going to run this North American continent.

Today the Canadian people have not any stake in that part of the country. In view of the fact that 355 miles of that line are owned by United States companies and the whole resource so far as iron ore deposits are concerned is in the hands of United States companies, I think this government should consider the possibility of having the Canadian National Railways complete that end

of the line so as to retain something in that area in the right of the Canadian people.

I am surprised from time to time to hear members of this house, particularly Liberal members—and you hear this outside of this house most frequently—state that they would rather see our resources in the hands of outside interests than in the hands of the Canadian government. I would rather see our resources in the hands of the Canadian government than in the hands of United States financiers who have no responsibility in this country and are not answerable to anyone except to the extent that they are answerable through bills similar to this for the exploitation of our resources, building railroads and so forth.

I have told Liberal members, "You would rather see the resources in the hands of people who are not answerable to you." Is it not better to have transportation which is opening up a part of the country, and the resources, in the hands of men like the Minister of Trade and Commerce, the Minister of Fisheries, the Prime Minister and the Minister of Labour, who once every four years have to give an account of their stewardship to the Canadian people. If they are not doing right the people can do something about it. But when you farm out the resources for 10, 15 or 20 years and they are in the hands of people who are not answerable to the people of this country, then in my judgment you are asking for trouble and sooner or later you are going to get it.

I think transportation, as exemplified by the Canadian National Railways today, where management has to come before a committee of this house to give an account of their financial arrangements and their plans for the future, is the proper kind of development in the field of natural resources. Transportation presupposes the development of a certain section of the country. I think the section of the country about which we are now talking is going to be a very important section. We are pushing into one of our last frontiers in that particular area. I believe at least 50 per cent of the capital invested in the development of the resources and in the construction of the railway should be held by the government of this country, through the Bank of Canada, in the right of the Canadian people. Then the Canadian people would be in a position legally to talk to those to whom we farm out our resources.

I do not intend to belabour this point, because I have put it on the record time and time again. I do feel that before the bill about which we are now talking passes, perhaps some consideration should be given by the house to the advisability of the government having the Canadian National Railways develop that new area that has not been explored as yet. Then we would at least hold a transportation line in that 300 miles in the right of the Canadian people.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

HYDROCARBONS PIPELINE LIMITED

Mr. G. D. Weaver (Churchill) moved the second reading of Bill No. 151, to incorporate Hydrocarbons Pipeline Limited.

He said: This is a bill, Mr. Speaker, to incorporate Hydrocarbons Pipeline Limited. There is nothing unusual about it. It follows the usual form of bills that have been introduced and passed from time to time in recent years having to do with the transportation of oil or gas in pipe lines. All the first directors of the company are residents of the city of Winnipeg. The head office of the new company will be in Calgary. When the bill is passed the company will come under the provisions of the Pipe Lines Act. This is being promoted by Canadians. Hydrocarbons Limited was incorporated in 1955 by letters patent under the dominion Companies Act.

At the moment this company, that is Canadian Hydrocarbons Limited, is engaged through subsidiaries in the distribution of propane and butane throughout western Canada, and in western Ontario. Canadian Hydrocarbons Limited proposes to take a substantial interest in the equity capital of the new company. The new company is to be formed for the purpose of constructing and operating a products pipe line between the province of Alberta and the city of Winnipeg in Manitoba, with a possible extension to the head of the lakes. The products to be transported will be liquid petroleum gas products such as propane and butane, and it is planned that the line will be of 6 to 8 inches in diameter.

I think it might be of interest to hon. members at this point if I outlined the petroleum scale. You have heard many pipe-line bills discussed in recent years, petroleum pipe lines, natural gas pipe lines, and now here is a company which proposes a pipe line with a much smaller gauge and transporting something a little different. At the lower end of the petroleum scale you have asphalt and heavy petroleum, varying in specific gravities up to the lighter petroleum distillate and so on until you get to kerosene. Then lighter still is gasoline with which everyone is familiar. Not many are familiar with the fact that next on the scale from gasoline is naphtha.

Then you come up to the borderline between liquids and gases, in which field are butane and propane. Finally, the top of the scale is dry, natural gas. The heavier petroleum products, of course, occupy the largest share in the scale and they require—I believe the Interprovincial pipe line is somewhat less than 20 inches and Trans-Canada pipe line about which we have heard so much and which will carry natural gas, is supposed to be 30 to 36 inches.

In the early days of the Turner field their production only went down as far as naphtha. There was no true gasoline taken from that field. Later on, about 1930, they struck the lower part of the scale. What came out of the ground there was a wet gas that had to be put through separating machines and the naphtha was separated out. This naphtha, without any further processing, was used in the same way that you would use gasoline. The farmers in Alberta would go to the wells and buy the naphtha which was separated from the wet gas and use it in their tractors. It was pretty hot for automobiles, but many of them used it in their cars. The remainder, which included the products I am speaking of, butane and propane, and the gas, at that time was burned and wasted in that way.

This gas would be let off through a standby pipe that would be probably 5 or 6 feet high and perhaps 3 inches in diameter, and it looked just like a big bunsen burner. That gas flame showed up like a bunsen burner flame. It shot up just about as high as the top of this chamber, and day after day the flames at nearly every well would be burning away and you could see the reflection of those flares in the sky a hundred miles away. That gas was power, and this was a waste of something that was essential to all industry. Fortunately, as time has gone by that waste no longer takes place. All the gas will be transported to the various parts of the country where it will be put to useful work. This bill takes care of the last field, that field that is, depending on the pressure, either gas or liquid.

I am sure all hon. members have seen the bottles of this product that are shipped all over for use in stoves. It can be used as tractor fuel, except that it is a little bulkier and harder to handle than gasoline, but it acts just as a gasoline. It complements the use of natural gas. It also has to be removed from natural gas before the gas can be shipped. It will be removed at the well head, stored and transported by this small-gauge pipe line to Winnipeg and later to the head of the lakes. It is expected that the line will go roughly via Edmonton, North Battleford, Saskatoon, Brandon and Winnipeg.

The investment required for the construction, together with the gathering system and storage facilities, will be between $30 and $35 million, with an additional expenditure of about $20 million for the possible extension of the line from Winnipeg to Fort William. This latter figure also includes the additional storage facilities.

Hon. members can see that when the last products of the wells' production are put to work it will mean a saving to all the gas and oil companies in two ways. It will mean that the producers will be able to get a better price for their products at the well head, and it will also mean that the processing companies, such as the Trans-Canada Pipe Lines, will be able to get natural gas at a better price at the well head and everyone, both producer and consumer, will benefit from it.

As with all other private bills, this bill will automatically be sent to one of the standing committees, in this case the standing committee on railways, canals and telegraph lines. Competent officials of the company will be present to answer any questions of a technical nature that hon. members might wish to pose.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, just before this bill passes second reading may I say I appreciate the fact that the hon. gentleman has moved the bill because it is standing in his name today, but it is quite a bill. When I look at the powers to be conferred by this particular bill I find they are exceedingly wide and large.

The house has been asked to adopt the principle of this bill without knowing anything about it. When I say "without knowing anything about it" I mean it is the last bill placed at least on my file. It has been before the gentlemen of the other place; I see it was passed by them on February 29, and it reached here I think today. Probably it was placed on my file this morning, so that one has not had even a chance to read the powers that are conferred. If hon. members will look at the powers they will see that they are very wide, very comprehensive and embrace almost anything that a company could wish to do, including the operation of airfields, the building of towns, the control of real estate, the subdivision of property and every other thing that is conceivable.

Personally, before I give consent to the second reading of this bill, Mr. Speaker, I suggest to the hon. member that we should have an opportunity to look it over. I would

like to read, as a matter of fact, what the mover and the hon. gentlemen in the other place had to say about it. This is a bill that contemplates a $35 million project with the possible expenditure of another $20 million. This $55 million project has been brought in this afternoon without any opportunity for hon. members to read the provisions of the bill or at least study the representations that have been made.

It is true that it goes to a standing committee of the house. That is all right; but once we adopt the principle of the bill we give a certain approval to it. Before we are asked to do that, Mr. Speaker, we should at least have some opportunity of looking into the matter. I therefore move the adjournment of the debate so we may do that.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Harris: No.

The Acting Speaker (Mr. Applewhaite): Those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Applewhaite): Those opposed to the motion will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Applewhaite): In my opinion the yeas have it.

On motion of Mr. Coldwell the debate was adjourned.

LILLIAN HANNAH MAXWELL GALLANT

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 152, for the relief of Lillian Hannah Maxwell Gallant.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, just before this bill is read the second time I should say that I have perused the evidence very carefully and I must congratulate Their Honours who have been working on this case. His Honour Senator Gershaw was the chairman of the committee, and he was assisted by Senators Burchill, Cameron and Fergusson.

In this case, as in the case of so many of the divorces which come before us, we find that the excessive use of intoxicating liquor has been one of the main factors in wrecking this family. The petitioner mentioned that during the first year they were married everything went along very well, but her husband was away from town a good deal and started coming home under the influence of liquor and things went from bad to worse, until the case reached us.

I am sure that Their Honours the senators have not the time nor the facilities to do anything about this particular case, but the interest they have taken in examining the witnesses would indicate that this is a matter of real concern, and we share the sympathy of Their Honours the senators who heard the evidence of the petitioner as she appeared before the senate committee.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

GORDON MACKAY BUTLER

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 153, for the relief of Gordon MacKay Butler.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

ELEANOR JODELIS MILIUS

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 154, for the relief of Eleanor Jodelis Milius.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

MARIE MADELEINE RACHEL GREGOIRE SHANK

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 155, for the relief of Marie Madeleine Rachel Gregoire Shank.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

SHIRLEY MILDRED GLAZERMAN WOLFE

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 156, for the relief of Shirley Mildred Glazerman Wolfe.

Private Bills

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

DOROTHY JEAN MIDKIFF DESNOYERS

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 157, for the relief of Dorothy Jean Midkiff Desnoyers.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the second time.

LORINC ORVOS NAGY

Mr. S. R. Balcom (for Mr. Hunter) moved the second reading of Bill No. 158, for the relief of Lorinc Orvos Nagy.

Mr. Erhart Regier (Burnaby-Coquitlam): This is a case in which the husband and wife were married on February 9, 1927. This, Mr. Speaker, was 29 years ago. The husband is now applying for relief from his legal marriage. There is as a result of this marriage one child, a girl who is now 14 years of age. These people came to Canada from Hungary back in 1929 and due to circumstances that we know not they have a considerable amount of difficulty with the English language. That creates rather interesting reading when one reads the evidence as heard by the hon. members of the other place.

In this case the husband charged his wife with having been guilty of adultery. The wife put up a defence on her own behalf. The wife apparently from time to time is an employee of the T. Eaton Company of Canada in Montreal. Her income is $21 a week. Where that woman found the money with which to defend her case, I do not know; she could hardly have saved that money out of the meagre wages she receives. However, I notice that at one stage of the proceedings her attorney was reprimanded because he had not brought with him a number of witnesses as well as the respondent. I should like to submit that this lady who chose to defend herself through the good graces or by the charity of the barrister she engaged was being reprimanded for not having brought witnesses with her, a matter which certainly would have involved a great deal more money.

The reason I raise the money question is because the Minister of Finance challenged—I should not say he challenged, but he cast some slight aspersion upon—the accuracy of statements I was making concerning legal fees which women like this were expected to pay if they chose to defend themselves. Only the other day I had another case called to my attention wherein the other place awarded $75 for the defence and the woman received a bill for one-half of one winter's divorce proceedings of $1,015. How a lady like the one in this case earning $21 a week is supposed to defend herself against the extreme pressure exerted by many people surrounding her in her environment, I do not know.

However, on reading the case I came to the conclusion that this man surely is not worthy of the time and consideration of the parliament of Canada. I am glad that some of the hon. members in the other place sharply reminded his lawyer that even if adultery was proven they were not required to grant a divorce unless the husband could prove that he was coming to them with clean hands. They explained that they were under no obligation to award the divorce.

The husband says in this case that he has been paying this woman $100 a month on the condition that she would remain in the home and not break it up. It is rather significant, Mr. Speaker, that no payments were made until three months after she had left the house.

The wife charges that the husband made an agreement through a notary public offering her $100 a month if she would leave the home. She claims she left the home and then waited for three months for payment without success, and then finally the husband began making payments of $100 a month and he made them to her in such far away places as Toronto. One is very inclined to feel that the woman in this particular at least is telling a true story.

I do not intend to go into it at this time, but there is a huge mass of conflicting evidence. The detectives in the case are employed by Maxim Associates. I believe a year ago I called the attention of the house to this notorious agency that was repeatedly appearing before the other place and was apparently making some good pay on this type of enterprise.

There is another very interesting sidelight. Upon invitation the woman apparently returned from Toronto to again take up residence with her husband. However, when she returned and he came back from work and found her in the house he immediately used his fists upon her. He admitted that he

did this, and said he only wanted the daughter and not the woman. At this point he threw her out of the house and she had to find a room in which to live.

My reason for speaking is that if second reading is granted, this woman—if she is correctly advised and if she has the necessary funds—will apply to our miscellaneous private bills committee for a rehearing of the case. That would mean that some 50 members of this house would have to spend a full day rehearing all the gory details.

I maintain that the husband has not presented a clean enough record to be entitled to take up a full day's time of 50 members of this House of Commons. For that reason I move, seconded by the hon. member for Moose Mountain (Mr. McCullough):

That the word "now" be left out and the words "this day six months hence" be added at the end of the question.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, in support of what has been said by my colleague I might mention that the solicitor for the petitioner seemed to assume that if adultery were established the divorce would be granted automatically. At page 22 of the evidence the petitioner's lawyer had this to say:

What has it got to do with this hearing supposing her husband did beat her, the proper thing to do would have been to take a separation action before the court in Montreal.

The Chairman (Senator Ross): If they separated by reason of acts of cruelty on his part, it is a ground for us refusing to grant the divorce.

Later on the counsel had this to say:

Supposing he did beat her once and then she left the house in 1954, would that excuse adultery? We are here before this honourable committee on a question of adultery—on a divorce matter, which is granted on adultery being proven, and unless you can prove to us that our man is not coming here with clean hands, well all right.

I understand that this is the first contested case which has come to our attention this year. The principle was established last year that we did not necessarily have to grant a divorce even though adultery was claimed and proved. I think if this wife had been suing for divorce she would have had no trouble in submitting evidence that would have warranted the other house recommending that a divorce be granted, but her lawyer did not come here with that in mind. However, the questions which he asked the petitioner I think would establish in the minds of most fair-minded people that the husband had no business coming to parliament with his sort of record and taking up the time of members of the Senate and of this house in reviewing the evidence which is available to all those who care to read it.

I hope that our colleagues from the province of Quebec will not merely sit out this particular vote but will support the motion for the six months' hoist.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am a little surprised that my hon. friends of the opposition seem to have discovered a new principle of law.

An hon. Member: What opposition?

Mr. Knowles: There is only one real opposition.

Mr. Harris: I beg your pardon; that some hon. members of the opposition seem to have discovered a new principle of law which has been drawn to the attention of counsel for the applicant in this case. I listened to the hon. member for Mackenzie read portions of the evidence, and as far as I could follow them I have no quarrel with the statements that were made. There has been more than one case in which adultery has been proved on both sides where a divorce has been granted. Because of the nature of the circumstances the divorce was granted. It may well be that hon. members may object that where there is adultery on both sides there should be no divorce granted no matter what the circumstances may be, but I would point out that that is not necessarily the guiding rule.

From what I have heard this afternoon, there were perhaps some unhappy occasions between the two parties in this particular case regardless of the question of adultery. I was not able to follow the hon. member for Burnaby-Coquitlam in his reference to the $100 a month. I understood him to say that the husband had offered the wife this money to remain in the household but had not paid it to her until she had left the household. I am not too familiar with the nature of the difficulty there.

But let us suppose that this is a case where there has been marital trouble, where in fact the husband may be assumed to have been guilty of adultery himself. There is an undoubted right on the part of parliament to reject the application, and no one quarrels with that. But the point made by the hon. member for Mackenzie is that this man should have his application rejected because he seems to have been guilty of some form of misdemeanor, be it adultery or otherwise. I think perhaps the hon. member is being a little premature.

Any citizen of Canada has the right to come here with a petition, and we ought to judge that petition on its merits and not on the merits of the petitioner. I think the hon. member will agree with me that that is so. It may well be that a person guilty

of a misdemeanour will petition this parliament in order to establish his rights, and surely my hon. friend would not suggest that because there has been a misdemeanor the petition should be rejected on that ground alone.

For that reason I wonder if the motion has been made with full consideration of what we are supposed to do in the House of Commons. Are we not supposed to pass on the merits of the petition for divorce after consideration in committee? My understanding always has been that the purpose of second reading—

Mr. Knowles: Would the minister permit a question before he leaves that phase of the matter? I understand that from the minister's point of view a person guilty of a misdemeanor may seek certain rights, but is it not so that in this instance the alleged right which the husband seeks would cause suffering so far as the wife is concerned, in that she would be denied certain moneys to which she is now entitled? Do not both sides of the matter have to be considered?

Mr. Harris: I have never understood that in hearing a petition before parliament we would not hear arguments on both sides. If in this case the wife has a certain right with respect to moneys, as has been suggested, that right no doubt would be taken into account by the committee, and probably was taken into account in the other place. If it was not, I suppose it was because it was not presented to them. If I have not made the answer my hon. friend expected I would be glad if he would try to clarify for me what he is trying to suggest.

Mr. Knowles: Apparently the minister has not caught the point I was trying to make. My point is that in granting the request that has been made my hon. friends who have read this case feel that a wrong would be done to the wife. Does not that have to be taken into consideration by the house before we can entertain the minister's argument about granting a person his alleged rights?

Mr. Harris: I do not suggest that giving second reading here was a decision in favour of the husband with respect to the wife. I do not think anyone has suggested that second reading of the divorce bill does that. In fact I recall that in discussion, the last time we spoke of divorce bills in this house, it was said and repeated, I think, by Mr. Speaker that on second reading what we said in this house was that, assuming that subsequent investigation did in fact establish what was asserted in the petition, then we might grant third reading to a bill. Perhaps I have not expressed it as elegantly as others might do.

Mr. Knowles: That was an unfinished discussion. It would depend on how far one reads citation 769 in Beauchesne's third edition.

Mr. Harris: That may be so, but I have always been given to understand that that is the principle in second reading of private bills brought before the house. If my hon. friend wants to discuss the matter with Mr. Speaker on another occasion, I have no objection to him doing so, but while I have been here I have never thought that I was obliged, after second reading, to approve a private bill in committee, and much less was I committed to giving third reading to it by the mere fact that we had given second reading.

I would not delay the house unduly, but quite apparently the citation does in fact refer to the conditional nature of second reading.

. . . the house, in agreeing to its second reading, affirms the principle of the bill—

The principle, quite obviously, is that a divorce may be granted. It goes on to say:

—conditionally, and subject to the proof of such allegations before the committee.

Mr. Knowles: Read on.

Mr. Harris: I shall be glad to do so:

Where, irrespective of such facts, the principle is objectionable, the house will not consent to the second reading;

I think there has been a confusion in the thinking of hon. members opposite. Perhaps I am doing them an injustice. I know there are members in the house who in principle will not vote for a divorce bill because they disapprove of divorce as such, as a matter of conscience. That is one thing, but what is cited in the rule I have just read is a wholly different thing. What is in the rule here is the principle of granting divorce in itself.

Mr. Knowles: Our concern is over the principle of this bill.

Mr. Harris: The principle of this bill is to grant a divorce if the facts are proven to the committee. It is not a decision in principle that the divorce should be granted. There is a great deal of difference between the two. I think my hon. friends opposite might sometimes just give a little consideration to whether or not they do oppose all divorce bills. I have heard the hon. member for Winnipeg North Centre say "on division" every time we have passed a bill this session and probably on earlier occasions. I have never heard him say in this house that he

was opposed to all divorce. If he is opposed to all divorce, I can understand his action. If he is not opposed to all divorce, I cannot understand it, except on a basis which I would not impute to my hon. friend under any circumstances in this house.

An hon. Member: What, never?

Mr. Knowles: I think the minister knows to what I am registering opposition when I oppose individual divorce bills.

Mr. Pickersgill: Explain for the benefit of the rest of us.

Mr. Knowles: I am sure the Minister of Citizenship and Immigration knows too.

Mr. Sinclair: I do not know.

Mr. Knowles: I am sure the Minister of Fisheries knows too.

Mr. Pickersgill: I can assure you it is a genuine desire for information on my part.

Mr. Harris: Could I give my hon. friend the opportunity merely to answer my question? Is this a matter of principle? Is he by conscience bound to oppose all divorce?

Mr. Knowles: Is the minister not capable of talking for another three minutes?

Mr. Pickersgill: Quite.

Mr. Harris: I am sorry, Mr. Speaker, I am capable of speaking a good deal longer, but there is not very much purpose in speaking on this question.

Mr. Knowles: Since the minister is going to speak anyway, perhaps I can make it clear that every time a divorce comes up we are opposed to the principle of parliament dealing with such divorces.

Mr. Harris: On that point then, Mr. Speaker, I suppose that every member of parliament is entitled to take any view he likes about the British North America Act; that it should not be enforced or it should not be operative in parliament. I take it that my hon. friend—

Mr. Knowles: Does the minister interpret the British North America Act in that respect as having anticipated that parliament would deal with individual divorces?

Mr. Harris: I have not the slightest doubt in the world that that was the thought because, from the day I started practising law, I came here to speak for divorces in the other place, when we had no divorce jurisdiction in the province of Ontario.

Mr. Knowles: I am helping the minister out, because there are only two minutes left.

An hon. Member: They are both breaking the rules.

Mr. Knowles: Is the minister not aware that other lawyers believe that the provision in the British North America Act providing that parliament would make general rules concerning divorce was made with no notion that we would be handling individual divorce cases?

Mr. Stick: I rise on a point of order. I understand that you, Mr. Speaker, are in the chair and we are not in the committee of supply. The hon. gentlemen who have been speaking have been talking back and forth to each other and not addressing the Chair at all.

Mr. Harris: I apologize at once, Mr. Speaker. I agree with my hon. friend from Winnipeg North Centre that there have been two views taken of that section of the British North America Act. I suppose that as a so-called reformer he would like to undo in 1956 something that parliament has been doing for a number of years, just on the general principle that what has been is wrong and therefore it can be improved upon by something he might devise.

Mr. Knowles: Is my hon. friend, as a Liberal, opposed to reform?

Mr. Harris: As a Liberal, I am confident that the Liberal party over the years has been the party of reform and the only effective party of reform in this country.

Mr. Harkness: You deceive yourself.

Mr. Deputy Speaker: May I take this opportunity of saying that I agreed with the point of order raised by the hon. member for Trinity-Conception (Mr. Stick). I also hope that the discussion of the last five or ten minutes will not be taken as a precedent as to relevancy on the second reading of a particular divorce bill.

On motion of Mr. Harris the debate was adjourned.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. W. E. Harris (Minister of Finance) moved:

That items numbered 92 to 115 inclusive of the main estimates 1956-57, 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.

PUBLIC ACCOUNTS

REFERENCE TO COMMITTEE OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT

Hon. W. E. Harris (Minister of Finance) moved:

That the public accounts, volumes I and II, and the report of the Auditor General of Canada for the fiscal year ended March 31, 1955, be referred to the standing committee on public accounts.

Motion agreed to.

COMMITTEE ON ESTIMATES

REFERENCE OF ESTIMATES OF CERTAIN DEPARTMENTS

Hon. W. E. Harris (Minister of Finance) moved:

That items numbered 179 to 197 inclusive, relating to the Department of Labour; items numbered 244 to 281 inclusive, relating to the Department of National Health and Welfare; items numbered 285 to 291 inclusive, relating to the Department of National Revenue; and items numbered 324 to 327 inclusive, and 528, relating to the Post Office Department, as listed in the main estimates 1956-57, be withdrawn from the committee of supply, and referred to the special committee on estimates, saving always the powers of the committee of supply in relation to the voting of public moneys.

Mr. Fulton: May we ask the minister if he could inform us which of the four departments it is intended to take first in the special committee on estimates?

Mr. Harris: National health and welfare, sir.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall have private members' day, as I think is generally known.

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

HOUSE OF COMMONS

Monday, March 5, 1956

The house met at 3.30 p.m.

HIS EXCELLENCY GIOVANNI GRONCHI

INCLUSION OF ADDRESS TO BOTH HOUSES OF PARLIAMENT IN PROCEEDINGS OF TODAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg leave to move, seconded by the hon. member for Vancouver-Quadra (Mr. Green):

That the address of His Excellency Giovanni Gronchi, President of the Republic of Italy, delivered before the members of the Senate and of the House of Commons of Canada in the chamber of the House of Commons on March 5, 1956, together with introductory and related speeches, be included in the House of Commons debates and form part of the permanent records of this parliament.

Motion agreed to.

INDIAN ACT

AMENDMENTS WITH RESPECT TO CHANGES IN ADMINISTRATION, LOANS, ETC.

On the order:

Introduction of bills—The Minister of Citizenship and Immigration—Bill intituled: An act to amend the Indian Act.

Mr. Speaker: There is by clerical error a bill intituled "An act to amend the Indian Act" placed on today's order paper, and I have ordered that this entry be deleted because it is based on a resolution which appears under government orders, No. 26, and therefore the bill cannot be introduced until the resolution has been agreed to in committee of the whole, reported and concurred in by the house.

HOUSING

PROVISION FOR CONTRIBUTIONS TO MUNICIPALITIES, HOME LOANS, HOUSING RESEARCH, ETC.

Hon. Jean Lesage (for the Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure for the further improvement of housing and living conditions and for that purpose:

(a) to provide for payments of contributions to municipalities in order to assist in the clearance, replanning, rehabilitation and modernization of blighted areas, up to twenty-five million dollars and such other amounts as may be subsequently authorized;

(b) to increase the amount of a home improvement loan that may be guaranteed under part IV of the National Housing Act, 1954; and to increase the aggregate amount of home improvement loans that may be guaranteed, from one hundred and twenty-five million dollars to two hundred million dollars;

(c) to increase the aggregate amount of all loans in respect of which insurance policies may be issued under part I of the act from two billion dollars to four billion dollars;

(d) to provide five million dollars out of which to pay expenses of Central Mortgage and Housing Corporation incurred in carrying out its responsibilities under part V of the act relating to housing research and community planning;

(e) to provide fifty million dollars for federal-provincial land assembly and housing projects; and

(f) to provide for a number of administrative and other changes deemed necessary for the more efficient administration of the act.

Motion agreed to.

TRANS-CANADA HIGHWAY ACT

AMENDMENT TO PROVIDE FOR HIGHER CONTRIBUTION TO COSTS OF HIGHWAY

Hon. Jean Lesage (for the Minister of Public Works) 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 Trans-Canada Highway Act to provide that the Minister of Finance may pay a higher contribution for a portion of the highway in a province not exceeding 10 per centum thereof; to extend contributions to costs incurred up to December 31, 1960 and to terminate all contributions on May 31, 1961; and to provide further that the aggregate of all expenditures under the act may be increased to a maximum of two hundred and fifty million dollars.

Motion agreed to.

MOTION FOR PAPERS

PREVAILING RATES EMPLOYEES, RENOUS, N.B., NAVAL STATION

Motion No. 33—**Mr. Knowles:**

For a copy of any surveys, or any reports based thereon, with respect to wages and hours of work of prevailing rates employees on the naval station at Renous, New Brunswick, made at any time since April 1, 1955.

Mr. Gregg: Mr. Speaker, while the employees at this station are employees of the Department of National Defence, nevertheless the surveys and the reports referred to in

the motion are carried out by my department. To make these surveys useful my officials must collect information from employers and trade unions. Heretofore that information has been considered as confidential. In view of the fact that I can assure my hon. friend that a recent survey has received consideration on behalf of these employees, I hope he will drop the motion.

Mr. Speaker: Does the hon. gentleman agree? Is it agreed?

Some hon. Members: Agreed.

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—ARRANGEMENTS TO ABSORB EMPLOYEES LOSING EMPLOYMENT

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour. Will the minister inform the house as to what arrangements, if any, have been made to absorb the employees of the railways in Newfoundland whose job will be jeopardized by the dieselizing of the lines?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I will consult with my colleague the Minister of Transport (Mr. Marler) and see if an answer can be given to my hon. friend's question.

IMMIGRATION

PROCEDURE TO BE ADOPTED FOLLOWING COURT DECISION

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. In view of the recent decision of the supreme court in the Brent case, would the minister tell the house if it is his intention to suggest amended legislation, or is he issuing orders to his officials to comply with the ruling of the court in their procedures?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I think it goes without saying that the ruling of the court will be complied with and that no further orders will be based upon a regulation which the court has said the governor in council did not have the power to make.

I am giving consideration with the officials of my department to what further course it may be advisable to take in the light of this decision of the court, and until I have had an opportunity of discussing that with my colleagues I shall not be in a position to make any statement to the house.

[Mr. Gregg.]

COMBINES INVESTIGATION ACT

JUTE BAG INDUSTRY—ACTION TO BE TAKEN CONCERNING ALLEGED COMBINE

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I wish to direct a question to the Minister of Justice. Are any investigations now under way or proposed into an alleged price-fixing arrangement in the jute bag industry in Canada? If so, would the minister report any progress?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, my hon. friend did not give me notice of his question but my reason for not being able to answer it is not because of that fact; it is because of the ruling with which I am sure he, as an hon. member of this house, is familiar, that it is never our practice in any of these combines inquiries to disclose that an investigation is under way until the actual report has been tabled in the house. Our reason for withholding this information is the obvious one, that were we to do otherwise, we would blacken the name of and create a prejudice against people who might be quite innocent.

POST OFFICE DEPARTMENT

REFERENCE TO ADVERTISEMENT IN "FINANCIAL TIMES"

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that an advertisement of the post office in the *Financial Times* of March 2 this year is signed by Hon. Alcide Cote as Postmaster General, may I ask if he has replaced Hon. Hugues Lapointe as Postmaster General with a more active minister?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think it should be obvious even to the hon. member that that must be a typographical error.

TRANSPORT

YARMOUTH-BAR HARBOR—INTERRUPTION IN FERRY SERVICE

On the orders of the day:

Mr. T. A. M. Kirk (Shelburne-Yarmouth-Clare): Mr. Speaker, in the absence of the Minister of Transport may I direct a question to his parliamentary assistant and ask him if he can give the house any information concerning the unfortunate interruption of the ferry service by the motor vessel *Bluenose* between Yarmouth, Nova Scotia, and Bar Harbor, Maine?

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, I thank the hon. member for having given notice of his intention to ask this question. As it has been reported in the press it is true that the S.S. *Bluenose* suffered some damage to her starboard propeller some time last week after having apparently struck some submerged object or other underwater obstruction whilst manoeuvring in Yarmouth harbour. The ship is now steaming toward Saint John, New Brunswick, where she will be placed in drydock, it is expected, some time tomorrow. The representations made over the week end by the hon. member regarding a substitute service for the service provided by the *Bluenose* before the accident have received the consideration of our department. However, until such time as the damage and the period of lay-up in drydock have been ascertained it will be impossible for the department to consider a substitute service. I can assure my hon. friend that as soon as the nature and extent of the damage have been ascertained the situation will be reviewed.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I ask a supplementary question. In view of the fact that the parliamentary assistant has said that this ship will be off service for several months, would it be possible to have a substitute service provided during the period of her convalescence, no matter how long that may be.

Mr. Langlois (Gaspe): I did not say what the hon. member has attributed to me. I said that it was pretty hard, until we know the exact length of time the ship is going to be in drydock, to make arrangements for a substitute service. Indeed, if that period is to be relatively short, as I hope it will be, we may not even have time to make arrangements for a substitute service before the ship is back in operation.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Does the minister intend to bring down his budget on Tuesday, March 20? If not, what date has he chosen?

Hon. W. E. Harris (Minister of Finance): The answer to the first and second question is that I have not chosen any date yet.

Private Bills

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO COMPARATIVE COSTS OF GAS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the right hon. Minister of Trade and Commerce, or in his absence to the parliamentary assistant. Would he care to comment on the newspaper reports over the week end that gas from Western Canada to be distributed by Trans-Canada Pipe Lines Limited will cost 60 cents per thousand cubic feet to Sudbury consumers while Chicago consumers will receive gas for 34 cents?

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): In the absence of the minister I would not be prepared to comment, and I shall take the question as notice.

NATIONAL DEFENCE

ROCKY POINT MAGAZINE—TRAVELLING PAY OF EMPLOYEES

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of National Defence. When the minister was out on the west coast was his attention drawn to a complaint by employees of the Rocky Point magazine regarding their travelling pay and, if so, was he able to reach a satisfactory solution?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, the answer to the first question is no, which also takes care of the second question.

Mr. Pearkes: I will be pleased to bring it to the minister's attention now.

PRIVATE BILLS

HYDROCARBONS PIPELINE LIMITED

The house resumed, from Friday, March 2, consideration of the motion of Mr. Weaver for the second reading of Bill No. 151, to incorporate Hydrocarbons Pipeline Limited.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, when this bill was before the house on Friday evening I objected to its being read a second time largely because hon. members had not had sufficient time to look over the bill which was presented to us on Friday morning and moved for second reading on Friday evening. I wanted to consult the debates on this bill in the other place, and I have now done so. I find that there was very little debate there, in fact

I think the hon. member who introduced the bill into this house gave us more information regarding the company than I could find in the Senate *Hansard*. I understand that it went before a committee there and was investigated to some extent but no report of the proceedings was taken.

I am not objecting to this bill going before the appropriate committee, but I think when a bill is placed before us we should have sufficient time to find out what it is all about. I did not know what it was all about on Friday evening and that is why I moved the adjournment of the debate. I am not offering any objection now because when the bill is before our committee the members of that committee may question the people who are promoting it and we shall have more information when it comes back to the house than we have at the present time.

I have seen some references in the public press, of course, to the bill and to the proposal. I find that in this case, as in Trans-Canada Pipe Lines, there are some United States interests connected with it. That is something that members of the committee should inquire into very carefully because, I think, we have to do much more to safeguard resources of this description for the Canadian people than we have been doing in the past.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

LORINC ORVOS NAGY

The house resumed, from Friday, March 2, consideration of the motion of Mr. Hunter for the second reading of Bill No. 158, for the relief of Lorinc Orvos Nagy.

Mr. Harris: Stand.

Mr. Speaker: Has there been an agreement that this debate is not to be resumed today? You just cannot stand the resumption of a debate unless it is by unanimous consent. Is it agreed?

Some hon. Members: No.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I should have risen a few moments ago to agree with the leader of the C.C.F. party that there was no reason why he should not have had the adjournment of the debate the other night on the private bill with respect to the pipe lines, because I did not realize at the time that he had only received the bill that morning. I agree that one should have time to give consideration to the terms of the bill before one should go forward with it. That, of course, is by way of parenthesis at the moment. I did not want to hold up the second reading.

[Mr. Coldwell.]

In this particular case, sir, I have on more than one occasion said "Stand" to a debate on a private bill and I have always had unanimous consent to it, as I recall. However, I take it that is not the purpose of the hon. gentlemen opposite, though I might respectfully point out that they do not have the carriage of the bill nor do they have the adjournment. It happens that I have a budget meeting going on at the moment. It has been going on for something over two hours, and I was hoping to be able to continue with that immediately the orders of the day were over. However, if they do not feel they could grant that—

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, all the minister needs to do is to move the adjournment of the debate. I think Your Honour's comment was perfectly right that this debate is in a different category than bills that have not been proceeded with at all. As far as I am concerned, if the minister wishes to move the adjournment of the debate on this bill, we are agreeable.

Mr. Harris: I do so move, sir.

Mr. Speaker: Is the motion for adjournment agreed to?

Some hon. Members: Agreed.

Motion (Mr. Harris) agreed to and debate adjourned.

INDUSTRY

MOTION URGING ALL POSSIBLE EFFORTS TO PROMOTE DECENTRALIZATION

Mr. W. G. Dinsdale (Brandon-Souris) moved:

That, in the opinion of this house, the government should consider the advisability of taking advantage of every possible opportunity to promote the decentralization of industry, particularly with reference to defence industry, thereby,

(1) helping to reverse the trend towards concentration of population in large metropolitan areas with the accompanying social evils;

(2) encouraging a more equitable distribution of population and development right across Canada, and

(3) assuring the strategic dispersal of vital war industries in the interests of national defence.

He said: Mr. Speaker, it is three years since I first placed this motion on the order paper. In previous years we have exhausted the number of days allotted to private members before arriving at this particular resolution. But in the interval I have been interested to notice that a good many of the resolutions that are placed before this house from time to time by members in various parties relate to the implications of the resolution that we have before us today, that is, the desirability of decentralization

and diversification of industry for the general well-being of national development in Canada.

At the very outset, Mr. Speaker, I would emphasize that I am speaking not only in terms of decentralization as between regions. I also wish to emphasize, right at the beginning, that there is a desirability of decentralization and diversification within the various provinces themselves. I raise that point because in this country it is quite obvious that there is the general tendency for the few large urban centres that we have—the half dozen or so large metropolitan communities—to become increasingly larger at the expense of the smaller communities across the country.

Even though we have been delayed somewhat in time in coming to this resolution, it seems to me that it has become more important as time goes on. Since the war we have been passing through a post-war boom. All the experts in economics are now quite free in acknowledging that we have passed through this transition period of post-war adjustment which, from the standpoint of Canada, might be described as an economic honeymoon. We have been placed in an extremely favourable position in relation to the economies of other countries. But that honeymoon is now past and the fact of the situation is that we must face the economic realities if we are to continue to progress as we have during recent years.

Unfortunately, during the transition period the tendency for industry to concentrate in the two central provinces and in the larger urban areas has been intensified rather than decreased and today we are faced with a situation—to sum it up in general terms—where 60 per cent of the population, 80 per cent of the manufacturing and 50 per cent of the total mineral production is concentrated in the provinces of Ontario and Quebec. We therefore have a concentration of industry, population and—what is perhaps more important so far as our activities in this house are concerned—political power. The latter is perhaps one of the most significant features of this trend that has been noted.

The Gordon commission has been meeting across Canada within recent months and I have followed with a great deal of interest the press summaries of the various briefs presented to this important commission. In every province—particularly those in the maritimes and in the prairie region—without exception the briefs have emphasized the necessity of carrying out the principle of the resolution we have before us. For example, the brief from the Manitoba government expressed the need in these terms:

> Decentralization of industry is essential to a sound national economy and it is imperative that steps be taken and programs developed which will ensure the spreading out of industries throughout Canada.

That is the official viewpoint of the Manitoba government. I was especially interested to note the other day the brief presented by the joint labour groups, namely the Canadian Congress of Labour and the Trades and Labour Congress. They went right back to first principles so far as this equitable economic development of Canada is concerned, and they did so in the following words:

> Nothing in the confederation debates is clearer than that the Fathers intended and expected that confederation should benefit all parts of the new nation. They would have repudiated instantly and with horror any idea that one province, one region or a group of provinces or regions should progress while the others stood still or fell back.

That is taking us right back to the first principles upon which this country was established. Perhaps from time to time it is necessary to go back to consider all the complex factors that were involved at the time of confederation. Certainly it was the vision of Sir John A. Macdonald and Georges Cartier that they would build a country strong and free from the Atlantic to the Pacific. To this end they adopted a national policy to help build a strong and democratic economy to accomplish what was considered in their day an almost impossible task, and even in the light of contemporary engineering capacity is still regarded as a tremendous engineering feat, the construction of the Canadian Pacific right through to the west coast.

Since that time we have tended to lose sight of the problems Canada was up against in the launching of this federal experiment. More recently in Canadian public affairs the necessity for development on a national scale has become somewhat obscured by the game of regional politics. The west has been played off against the east, and as a result of economic frustration the west has gone splintering off in various political directions. I think, Mr. Speaker, that the time has come, as has been underlined by the recent activities of the Gordon commission, for a serious re-appraisal of economic policies in the light of Canada's great position and power as a nation in world affairs. If it was important at the beginning of Canada's national existence to the development of this unique experiment in sovereignty in the northern part of the North American continent, it is even more imperative now in view of the much more important position that Canada occupies in international affairs.

Decentralization of Industry

It will be noted, Mr. Speaker, that the resolution is divided into three parts. It refers not only to the general principle of decentralization, but also we have enlarged on that particular aspect and have broken it down into three of the more important facets that are involved in carrying out this principle. First of all, there is the tendency for industry and population to concentrate in small regional areas, particularly urban areas. This has been one of the most characteristic phenomena of the last 100 years in the western world. We have seen the development of the factory system, which emerged out of the industrial revolution. Because of the large amount of labour involved in factory industry there has been an influx of workers, an influx of population from the rural areas to the urban areas, and that is a process that has continued up until recent times. Out of this concentration of population in urban areas there has been a growth in social problems which, down through the past hundred years, it has been almost impossible to cope with by government on all levels as well as by private agencies of various kinds. Indeed, there is a general feeling that uncontrolled urbanization, unplanned urbanization, has given rise to some of the extreme social problems that we are still confronted with in Canada as well as in other western countries.

Characteristic of urban growth has been the emergence of slums, blighted areas, within the heart of our large industrial cities. In Canada we obviously are still trying to cope with the problem of slums in the big cities, because just the other day we had placed before the house by the Minister of Public Works (Mr. Winters) some further attempts to deal with the problem of slum control, and that is merely the physical manifestation of the problem. The underlying social difficulties are much more damaging to our way of life.

In the city we have people operating largely on an impersonal level. The close relationship of the neighbourhood, which is characteristic of the rural social situation, breaks down and there tends to be an atomization of individuals. They live as separate entities in many cases. This can be demonstrated by the indices relating to symptoms of social disorganization. In many instances human beings become less than human. In the big, booming, pushing confusion of our large urban areas there is a tendency for values to change. Individuals crowded together in this situation, instead of finding satisfaction on the spiritual and intellectual level, tend to be largely motivated by physical impulses. There is all sorts of evidence in this regard; the rapid increase in commercial recreation; the rapid increase in the consumption of alcoholic beverages. The hon. member for Winnipeg North Centre (Mr. Knowles) had some returns tabled within recent days, as recorded on page 1738 of *Hansard*, which indicated—I do not have to give the figures—that the consumption of alcoholic beverages has increased at a very rapid rate within recent years. I venture to say that had we the information we would see that the consumption in urban areas is much above that in rural areas. In other words, people wishing to escape from the confusion of the city do so by means of the cup that cheers.

Related to this problem of the effect upon individuals in the modern, big, booming cities, we have the impact upon the basic social institutions of the nation—and the nation is strong only in so far as the basic social institutions are strong—the family, the church, the school, and so forth. I merely emphasize the family in passing because it is the most important. No society can be great, no society can progress unless the dignity and the integrity of the family are preserved.

In the city we are constantly hearing about the problem of juvenile delinquency, the increasing divorce rate and similar evidences of family disorganization of that kind. The family in the cities, in many instances, instead of being the healing place of the soul, as it should be, the place where personality is moulded, the place where we acquire our values, the place where conscience is formed; instead of performing these functions adequately, tends to become a place of tension, disorganization and confusion. Evidence of that development again could be put forward in the statistics relating to mental illness in this country. I had a return from the Department of National Health and Welfare in this regard just a few days ago. It is dated Tuesday, February 14, 1956. It shows that in every province in Canada between the years 1950 and 1954 the admissions to our mental institutions have doubled. In 1950, the total was 16,411; in 1954, it was 29,351.

Just to carry this particular line of thought one step farther, the country has been shocked within recent weeks—in fact, we have had the subject raised in this house on several occasions by hon. members from the communities affected—by the upsurge in sexual deviation, another problem in the disorganized and confused atmosphere of the big urban community. Values become so distorted that we wonder today what is normal in the city. We rub shoulders with criminal types, with bohemian types of all kinds, and

we are completely oblivious of the fact because personalities remain largely anonymous, unknown to one another. We are completely unaware who the man right next to us might be.

When these tragedies occur there is a great outcry and particularly when the psychopath—because these persons are nothing more or less than psychopathic people who, because of the confusion in the home and so forth, have not developed a social conscience that can conform with the values of our way of life—when the psychopath, indulging in deviation, commits murder attempting to hide his deed and satisfy his twisted conscience. These are all evidences of the problem and I say it is one of the difficulties that underlie the problem, this tendency for population to concentrate in large cities; because of the very nature of industrial development the populations concentrate in large urban areas.

The government has moved slowly to do something about the social problems emerging out of this concentration. Up until 1929 very little attention was paid to the social difficulties that followed in the wake of the industrial revolution. One of the pioneers in this regard was the late Mr. Woodsworth, who was active in the city of Winnipeg during world war I when the industrial revolution first hit that community, and it was aggravated by the rapid influx of waves of immigrants, with the resultant social difficulties. That situation made its impression upon the social conscience of Mr. Woodsworth, who was a clergyman, and he became very active in agitating for reforms. In fact, I believe he was one of the pioneers in founding the social welfare council in Canada. He also later became involved in politics, as is well known, and I do not know whether or not that was a good thing for one of his convictions.

It was in 1929 with the onset of the depression that the government of Canada was forced to take action. Prior to that time we had acted according to the tenets of laissez-faire liberalism and hoped everything would adjust and regulate itself automatically for the best of all concerned. The first comprehensive attempt to cope with the problem was the new deal of Mr. R. B. Bennett passed in 1935 which did not get very far because of the vagaries of politics in this country at that time. Since that time these new measures have found their way to the statute books of Canada.

I want to make this point. All that governments can do both on the federal and provincial level is try to absorb the shocks by means of grants in aid, whether they be to government departments or to individuals within the country. Governments can only make transfer payments. Much of our government's social welfare legislation has been in the form of financial welfare trying to bolster the economic situation of the individual caught in the disorganization of a changing society. That helps of course but it does not get down to the basic problem. The basic problem is the disorganization of our social institutions and the effect this has on personality and the development of citizens of mature stature in a democratic society.

The institutions that are really doing the job and are really getting to the heart of the matter are the churches. The basic function of the church is to provide meaning and motivation to the people in a particular nation. For example, in order to restore stability to the family unit we have heard this theme for the past few years, "The family that prays together stays together". That seems to me to go to the heart of this problem that has grown out of urban concentration in Canada.

We also have all sorts of new professions, social workers, psychiatrists, criminologists and marriage counsellors. We also have the work of the labour unions, chambers of commerce and farm organizations which endeavour to cope with the underlying difficulty. It is quite significant too that the entire service club movement has emerged within the last 30 or 40 years in this country. These are the groups which are getting down to the basic problem.

One association which I think is really coming to the heart of the matter so far as the approach we are taking in this resolution is concerned, and that is the decentralization of industry, is the Canadian community planning association which has an active organization right across the country in every province. The Canadian community planning association is dealing with the problem of concentration in urban areas. It is endeavouring to plan communities in such a way that the social and traffic problems which are so besetting us today will be solved. We also have our own national capital plan which will attempt to unravel some of the mistakes of the past over the course of the next few decades.

One of the essential measures of the community planning association is to restore the neighbourhood atmosphere wherein people can recover the feeling of belonging to a closely knit group of fellow humans. It is trying to meet the need and the desire that

lies deep in every one of us to have a rose-covered garden by developing green belt areas where a neighbourhood atmosphere can be restored.

The emphasis of all these voluntary groups is towards the decentralization and relocation of the Canadian population on a more equitable basis throughout these wide open spaces to which we have fallen heir. If we are going to accomplish that it means, of course, that there must be a decentralization of industry. Manufacturing, secondary industry, is a large user of labour today. If we are going to be able to restore our urban communities it means that we have to get the population out of the centre of these communities. We have to scatter industry on a much broader geographic basis.

I admit at once that everybody talks about this. As I look through the resolutions that are still before the house I find they relate themselves very closely to this subject. The subject of decentralization is almost like the subject of the weather; everybody talks about it but no one does anything to change it. I will admit further that it is an extremely difficult project to carry out particularly where you have to go against the laws of economics such as the tendency for industries to congregate together for the sake of mutual support.

At this point I wish to go back to the first principle I enunciated at the outset of my remarks. In the past we had to fly in the face of economic reality for the sake in the first instance of establishing this country and later for preserving its sovereign strength as a nation in the midst of challenging circumstances, originally from south of the border, and then later involvement in two world wars. Therefore I suggest that something more than economic factors must be considered if we are going to deal with this problem.

I do not intend to merely talk about this subject; I have one or two specific suggestions which over the long-run period will, I feel, help to bring about a greater degree of decentralization of industry. The tragedy is that the trend has all been in the other direction. Instead of the situation becoming easier through the passing of time the concentration has been aggravated in recent years. That is perhaps why we in less populous regions make so much noise about it in this house. If there were evident a reversal of the trend, perhaps we would be mollified to a certain extent.

First of all, and I merely mention this subject in passing, it has become obvious during recent weeks in this house that western agriculture is in a declining position. We had some three weeks' discussion on this subject so I do not feel obliged to reiterate the points that were made. Because of the revolution that is taking place in agriculture through mechanization and other causes, we see a condition of a declining population in rural areas. For example, in 1921 40 per cent of the labour force in Manitoba was occupied in agriculture whereas in 1951 only 24 per cent of the total labour force in that province was occupied in agriculture. That means that our ability to absorb and employ people in agriculture is declining.

That is one reason why the prairie regions, with the great spaces they possesss, have not been able to participate fully in the immigration program which has been carried on since the war. A most disappointing percentage of the newcomers have settled on the prairies. The only way we can provide employment for newcomers is to have an opportunity to industrialize. The only way we can prevent this migration from the rural areas which is still going on is to have a diversified industrial program on the prairies. We must consider the position of agriculture as the first point.

Second, our trade policy is a most important factor in this difficulty. In Canada we have been shifting from a United Kingdom to a United States market emphasis. This has resulted in the United States having more and more influence and control in our Canadian economy. Because of the high level of development of the United States economy and the great market they provide for mass raw material exports, we find we have been exporting an astounding amount of newsprint, minerals and metals in recent years. I do not have to harp on this point because it is obvious that if we are going to emerge into a position of strength population-wise, and in financial and industrial terms that our position in world affairs calls for, we must get away from economic primitivism and move more and more toward exerting some of that vision which was exerted at the time of confederation. We must get into secondary industrial activities. If we want to express it in original terms, we must apply some of this national policy to western Canada and the maritimes—they will speak for themselves later on I trust—that was applied by Sir John Macdonald to central Canada at the beginning of the life of this nation.

Then there is the matter of our petroleum industry and the possibility of decentralization. We are going to be considering in this house shortly an important measure, the trans-Canada pipeline, and it is hoped, speaking from the western viewpoint, that gas will be sold at the minimum economic

price. Unless that is done we are not going to enjoy the special benefits which the possession of this form of energy should give to western Canada. Unfortunately many important projects have been delayed because of the delay in getting under way with this activity.

There is a taxation feature which should be considered by the federal government. Canadian oil companies are at a disadvantage in competing with United States firms in the Canadian oil field because of the less advantageous position our Canada oil people occupy in comparison with their United States counterparts. The United States government gives special incentives to such an extent that much of the United States risk capital operating in the Canadian financial market is made up of money saved because of the absence of excessive taxation. That government also gives a more generous allowance for depletion.

From another standpoint transportation is important to the prairie west, particularly to Manitoba, because we stand mid-way. Under the topic of transportation I should like to include briefly the subject of highways. The federal government is moving slowly and cautiously into the area of highway construction by its grants in aid to the trans-Canada highway. That is a beginning which we in Manitoba feel will have to go much further. Considering the matter from the standpoint of national defence requirements, the opportunities offered by the tourist industry and the provision of access to our natural resources, it seems to us that the federal government will have to take a much more active hand in developing a suitable highway system than it has up to the present time. It has large returns from excise taxes on automobiles, petroleum products and so forth and that money could not be put to better use than in the development of a highway system in the interests of the general development of Canada.

We are interested also in the St. Lawrence seaway and we give hearty approval to that measure because it is going to improve the transportation situation in Canada. But if the people of Manitoba as well as those in other sections of the prairies are to benefit, certain factors will have to be kept in mind. It must be remembered that the terminal facilities at the head of the lakes are not adequate to deal with the larger vessels which will be coming through. The harbour facilities will have to be deepened. Unless these problems are taken care of in the over-all planning of the St. Lawrence seaway there will be no direct benefit to the prairie economy.

The highway from the head of the lakes to Winnipeg is going to be totally inadequate according to present standards as soon as the seaway is put through and the head of the lakes becomes the busy seaport it is anticipated it will be.

Then there is the problem of air transportation in the west. On a per capita basis the people of Manitoba use air transport more than the people of any other area in Canada. We were disappointed when the application of Canadian Pacific Air Lines for a through freight franchise was turned down. That works to the disadvantage of Manitoba. We were disappointed also when Winnipeg, which now has an international airport, was denied the privilege of passenger rights on the line operating from the west coast to Europe.

These are just indications of the subtle discrimination that exists against the less populous regions. They are also evidence of the active role which the federal government can play. It is just the accumulation of these small things which will have to be overcome.

We are always interested in freight rates, and in this connection I should like to mention a little difficulty which we ran into in my own constituency. In-transit or stopover rates are not permitted in Canada, other than on grain. We have a little industry employing some 60 people operating in a small town fabricating west coast lumber into laminated structures. Because of the present freight differential they find it most difficult to compete in the eastern markets. A stopover privilege or an in-transit rate would make it possible to fabricate that lumber and ship it without any undue freight disadvantage. The industry would then be competitive in the east. Fortunately they are able to use truck transportation to save the situation at the moment, but if the pressure is continued this industry will be forced out of business.

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

Mr. Dinsdale: Could I have one more sentence, sir?

Mr. Deputy Speaker: Has the hon. gentleman leave to proceed?

Some hon. Members: Agreed.

Mr. Dinsdale: Thank you very much for your courtesy in this regard, Mr. Speaker. I wish to raise two more points and I shall do so as briefly as I can. I have emphasized the role that government might play in this process and I would just like to mention the role that private industry is playing.

The movement of branch plants to the west is already well under way. There is a large

enough domestic market now to provide sufficient business for an economic location of a branch plant of the larger plants with headquarters in eastern Canada. I should like to give one illustration of outstanding success in this regard. We have a very thriving electrical manufacturing industry that was established by four young engineers who broke away from the larger industrial firms, General Electric, Westinghouse, Great Northern and so forth. They saw an opportunity for industrial development on the prairies in the rural electrification that is going on. They pooled their talents, developed an excellent transformer and a mechanical circuit breaker, and succeeded in capturing the prairie market for rural electrification, and they are also well into the Ontario market and making headway in the Quebec market.

That is the sort of thing that is taking place from the standpoint of private initiative and private enterprise, and we should not ignore that particular development. It should be encouraged in every way, so far as tax concessions are concerned. It is difficult to get equity capital for these small firms. We must always keep in mind that over 75 per cent of Canadian employing firms have less than 15 employees, and they are the nucleus around which the other industrial developments will grow that will make Canada the strong nation industrially and economically we know she is destined to be.

Now for one final point. This is the matter of defence industries. I could not let this subject pass entirely without mentioning that recently General Worthington, who is in charge of civil defence, has been talking about the need for decentralized population. He makes the claim that no city should have more than 50,000 people. He goes further and says that it should not have more than 50,000 people even if there were no threat from hydrogen bomb warfare. His reasoning is that once a city grows beyond that level it runs into the social problems that I outlined at the outset of my remarks.

The field of defence industries is one area where government should participate directly, and certainly with a great deal more enthusiasm than it has in any period of emergency. During world war II we in the west were depopulated because of the rush of the population to the factories in the east. It has been little better during the Korean episode. We find most of our defence industries, in fact all of them, concentrated in the two large urban areas of Montreal and Toronto. I do not have to labour that point. It is obvious in this day of the threat of the H-bomb that if we are going to have any reasonable and sensible defence program at all, basic to that program should be the decentralization and the relocation of at least our defence industries.

Mr. A. R. Lusby (Cumberland): I have listened with great interest to the remarks of the hon. member for Brandon-Souris, the sponsor of this resolution. I think he mentioned that possibly members from the maritimes might wish to speak on behalf of their part of the country, and that is my intention to a considerable extent.

It is my thought that in this debate we should consider first the general principle of the decentralization of Canadian industry, which is, I think, the core of the whole resolution; and then the possibilities of a practical application of such a principle, particularly with regard to the nature and scope of the role that the federal government might properly and legitimately play in relation thereto. It seems to me that in connection with the first object of our consideration, which of course is more general, there are not as many difficulties arising as in the case of the second.

The term "decentralization of industry" may, I suppose, be applied either to a national decentralization—that is, a wider distribution of industry generally over the whole country—or merely to, shall I say, an intra-provincial decentralization, which would be a spreading of industry within the boundaries of one particular province. If I understand the hon. member for Brandon-Souris correctly, he said that his remarks were intended to be applicable, to some extent at least, to both types of decentralization. In this regard, I note that in the present resolution there are listed three objectives, as I might call them. Summarizing them somewhat, I would say that these are indicated as being attainable through a decentralization of industry: a less pronounced metropolitan concentration of people; a more equitable distribution of population and development right across Canada; and, third, a strategic dispersal of war industries.

In view of the vast geographical expanse of the provinces where Canadian industry is, and where, unfortunately, it shows all too many signs of continuing to be, largely concentrated, a merely intra-provincial decentralization of industry might constitute at least a partial step toward the attainment of the first and third objectives mentioned in the resolution. That is not so, however, as regards the second objective; for any results in that quarter, only a national decentralization would be effective.

It might be pointed out, in so far as an intraprovincial decentralization is concerned, this government and this parliament would,

it seems to me, have comparatively little concern with that type. Only national decentralization, as I have defined it, is really entitled to the status of a national problem. I take it this resolution is intended to apply, at least primarily, to such national decentralization. In any event, I should like to say that in so far as my own remarks are concerned, when I refer hereafter to the decentralization of industry, I am thinking in terms of what I have called national decentralization, such as would affect the dominion as a whole and not merely one or two provinces.

It must be recognized that there are many difficulties in the way of the practical application of any wide principle of decentralization, but I am convinced that the principle itself is sound and that the possibilities of promoting it by such measures as may properly lie within the federal purview are worthy of the earnest consideration of this house as offering a prospect of materially advancing the best interests of Canada as a nation. It is my opinion that a widespread decentralization of industry would promote the best interests of every part of this country. I am aware that such an opinion is likely to be received with an attitude of extreme scepticism and possibly one of downright rejection by those provinces that industrially are now pre-eminently the favoured ones of Canada.

That attitude, to my mind, is an utterly mistaken one, though perhaps not unnatural, and of that attitude I intend to speak more in a few minutes. But, in so far as decentralization means spreading industry into those provinces which now are industrially deficient, I think there is no shadow of doubt whatever that it would be of incalculable benefit to such areas. To no region in Canada is that statement more applicable, in my opinion, than it is to the maritimes. For there the lack of sound industrial development and opportunity has, I maintain, been one of the greatest handicaps, if not the greatest, which have plagued us ever since the beginning of this century.

I turn again to the three objectives—as I say, I think that is the proper term—which are listed in the present resolution. I do not think any lengthy argument is necessary to emphasize the inherent value of all three. Let us examine the first. Let us consider whether it is in any way desirable to have vast numbers of people gathered in restricted, crowded, built-up areas, and whether any real justification remains—if it ever existed—for the growth of cities which number their population in the millions.

I think perhaps I am treading on safe ground there because I do not believe either Montreal or Toronto has yet reached a plural figure. Whatever the answers may have been in the past, I think that today two things, namely traffic and the hydrogen bomb, provide two new and cogent negatives to the question; and that is apart altogether from the high incidence of crime, misery and general human degradation which so often characterizes the life of a really huge city.

In distant ages national populations tended to swarm together in walled cities for the purpose of making more effective defence against their enemies. In more recent centuries heavy concentrations of population in cities tended to simplify the problems of communication and transport which then existed. Of course for countries such as England or Japan, it may well be that the huge city is the inevitable and inescapable result of limited land areas and dense populations. But not one of these factors applies with any force to the Canada of today. In proportion as our cities are overgrown, they simply present the choicer targets for the hydrogen bomb in time of war and an increasingly hopeless congestion of traffic in time of peace. Certainly in this half continent of ours there is no lack of space for population dispersal if it is considered desirable that the population shall be more widely scattered.

I agree with those who advocate—and this is not a new idea—as the ideal for the conditions under which modern man must live, a wider dispersal of urban populations into comparatively scattered towns and cities of no more than moderate size. That is the ideal. In so far as the present resolution tends to encourage some progress toward that goal, I think it has a worthy aim.

Some of the observations I have just made apply with equal force to the third objective mentioned in the resolution. The destruction of a substantial proportion of our total population by means of a single hydrogen bomb dropped upon one huge city would, even apart from all humanitarian considerations, have a disastrous effect upon our will and our capacity to carry on war. Equally crippling would be the eradication of any large segment of our defence production facilities in a similar sudden manner. In case of war industries located near our cities, as unfortunately many of them are today, one single bomb might serve a dual purpose.

We are told that the duration of any future total war will be necessarily brief, a matter of a few weeks at most. No doubt that is correct. Nonetheless, any shreds of victory will certainly accrue to that side which has best preserved its people and its war-making potential. The wider dispersal of our defence

industries as well as our population would be a tangible step toward that end.

All matters pertaining to national defence are, of course, of vital concern to every Canadian from the Atlantic to the Pacific. In the maritimes, however, we face no problems, at least no serious ones, concerning the undue concentration of either people or industry. On the contrary, our lack of industrial development, with the attendant lack of opportunity for our young people, has led to a steady and continuing hemorrhage of our population to other parts of the continent. In earlier days this was chiefly to the United States, so that it is said there are more persons of Nova Scotian descent in New England than there are in their own ancestral province. In more recent times the flow has been rather toward central Canada, a change of direction which undoubtedly is beneficial in so far as Canada is concerned, but which nonetheless has upon the maritimes very much the same effect, with far too slow a rate of growth in our population.

We need more population in the maritimes, Mr. Speaker. We need more population fully as much as does any other quarter of the dominion. To achieve it I think we must have a greater development of our industrial potential. Certainly in the foreseeable future there is not the slightest danger, in so far as our part of the country is concerned, that any steps which may be taken toward attainment of these ends will lead to an undue concentration of either people or industry, such as that which already obtains in certain areas of central Canada. If anyone here should doubt that statement, all I can do is assure him that we are certainly willing to incur the risk with the utmost equanimity.

The third objective mentioned in the present resolution is to a marked degree a concomitant or perhaps one might call it a component of the broader second objective. Bearing that point in mind, I would say that from the economic point of view it is the latter which is the most significant factor of the whole resolution in so far as my part of the country is concerned. A more equitable distribution of population and development right across Canada, to use the words of the resolution, would fill a real and long-felt need in the maritime provinces. In view of what I have said, Mr. Speaker, I find myself, both from a regional and from a national standpoint, in accord with the principle of decentralization of industry as it is advocated in the present resolution.

At the outset, however, I said that after considering the principle itself, I thought we should then consider the possibilities of its practical application, particularly with regard to the nature and scope of the role which the federal government might legitimately and feasibly play in relation thereto.

I think it is clear that that role, even at its widest, must be subject to marked limitations. It is the aim of the federal government, of course, to maintain at all times a national economic climate favourable to industrial development and expansion. That is an aim, I may add, which has been attended with a remarkable degree of success. But the attainment of that aim does not in itself contribute to the decentralization of industry. It certainly is essential for industrial development and expansion anywhere but, as I say, it does not lead to the decentralization of industry. In fact it may perhaps be fairly said that because of the success with which that aim of general prosperity has been pursued in this country there exists today this tremendous concentration of industry in central Canada.

The federal government, of course, cannot meddle in fields of purely provincial jurisdiction or, under our system of free enterprise, compel the location of private industries in any specified area. Private industry will go where it appears most profitable to go. Consequently it seems to me that all efforts toward decentralization of industry must be directed to make it profitable for industry either to remain in or to migrate to the area which it is wished to build up.

Now, what does lie within the possible purview of the federal authority in this regard? I was interested in reading a few days ago, Mr. Speaker, of the representations with respect to the maritimes contained in the recent joint submissions of the trades and labour congress of Canada and the Canadian congress of labour to the royal commission on Canada's economic prospects, the Gordon commission. In view of the fact that maritime prosperity has advanced at a slower rate than has that of other parts of the country, the submission urged that the maritimes should be regarded as a special area. The submission did not confine itself only to the area of the maritimes, but it did urge that the martimes be regarded as a special area. They urged that, to bring industry to the workers, governments at all levels—this was not directed merely to the federal government—should adopt a four-point program consisting of tax concessions and other financial inducements to firms to remain in or go to special areas; the channeling of purchases, particularly by the dominion government, to firms in special areas; further assistance t industries through the subsidization of freight rates; and the subsidization power production in special areas.

I might add here incidentally that a number of people laid stress upon hydro and atomic power plants, but my own feeling is that the real future of electrical development in Nova Scotia is and should be directed to the development of electrical power by coal. I think that would be in the best interests of the maritime provinces. However, those four points were made in the brief. I think whatever difficulties of practical application there may be with regard to any of these proposals, they are all deserving of careful study. I hope this government will give long and sympathetic consideration to any recommendations which may emanate from the royal commission with respect to that four-point program to which I referred.

It must not be forgotten, of course, that this government is not entirely a stranger by any means to actions designed to build up industry in certain areas. For instance, this government extends a very large measure of assistance to our Nova Scotia coal industry through a system of subventions. Then again special freight rates designed to benefit maritime industry have long been in effect.

It seems to me that one promising avenue of new federal assistance to build up maritime industries, thereby furthering national decentralization of industry, might lie in the allotment of government contracts, on a preferential regional basis, to firms in the maritimes in this particular instance. In my own town of Amherst we have several industries which from time to time have been successful in obtaining orders from the federal government, particularly the Department of Defence Production. The employment thus provided has been of inestimable value, not only to the town but to the surrounding county. I believe that is an example of encouragement which can be given to industry, and to the people in an area doing vital defence work, in areas other than the highly industrialized part of the country. I might say that in particular we have in the town of Amherst a plant engaged in the manufacture of aircraft components. It seems to me that of all the industries perhaps the aircraft industry is as vital as any and is one that should be as highly decentralized as is feasible. I think a further allocation of orders to the Amherst plant, as well as further assistance in the provision of any facilities required to undertake additional government work, would be a most desirable move in the interests of such decentralization.

Some little time back, Mr. Speaker, I mentioned that a policy of decentralization of industry was unlikely to receive wholehearted support from those provinces which are now industrially in a favoured position. I think I said also that that was a natural but mistaken attitude. My statement was really prompted by a certain cartoon which recently appeared in the Halifax *Chronicle-Herald*, the work of Chambers, the inimitable staff artist of that paper. I have the cartoon here but I am not going to ask leave to table it. It is entitled, "The Geese that feed the Goose that lays the Golden Eggs", and has reference to a reported remark of the premier of Ontario that his province was Canada's goose. I understand that remark was more in connection with the fiscal arrangements which are the subject of discussion at the moment. However, I think the attitude there displayed goes much farther. The cartoon portrays our general feeling in the maritimes that Ontario lays no golden eggs for us, but on the contrary she draws from us the wherewithal to lay the eggs for herself.

If I may use another barnyard simile, I should like to say that the attitude embodied in the remark of the premier of Ontario tends to confirm a maritime suspicion that central Canada is not only the heartland but also the hogland of Canada. The latter term has no reference to the production of hogs on the farms of central Canada. It refers to those in high provincial places. That is the feeling. I believe, Mr. Speaker, that such remarks as that of the premier of Ontario give a foundation for this feeling in the less favoured parts of the country. I submit also that the attitude shown by such a remark, and it is undoubtedly shared by many others in the favoured provinces, is not only erroneous but shortsighted because in the long run the prosperity of any province of Canada is undoubtedly dependent upon a reasonable degree of prosperity being achieved throughout the rest of the country. I believe that, in turn, calls for a wider distribution of both people and industry across the whole country.

During this session there has been some talk of the possible federal role in matters of education. I should like to suggest that it might not be amiss if the federal government could devote a little effort towards attempting to educate the provincial leaders of central Canada to the truth of what I have just said.

Mr. Clarence Gillis (Cape Breton South): I welcome the opportunity to take part in this debate, Mr. Speaker. I have moved similar resolutions in this house a good many times in the past, but provoked very little discussion. I am glad to join with the prairie member from Brandon, who has now moved this resolution indicating that other parts

of the country than the maritimes are vitally interested in the question of the decentralization of industry.

Now, to determine the value of any matter that may come before the house, one has to ask this question. Are we justified in taking up the time of the house on the subject under discussion? I think all the evidence that is available on the need for both provincial and federal governments taking a look at the concentration of industry in central Canada justifies the time we will spend on this resolution. The hon. member for Brandon-Souris (Mr. Dinsdale) pointed out that at the present time with respect to the dollar value of manufacturing, in the distribution and concentration of industry there is some 82 per cent in the two central provinces of Quebec and Ontario. The rest of the country has to struggle along on the other 18 per cent. I think that statement alone should bring to the mind of the federal government the necessity of taking another look at the matter of a better distribution of industry and manufacturing in order to give the country a more balanced economy, and as suggested, make for better protection in the event of war.

These considerations alone justify our discussing this resolution. The hon. member for Brandon-Souris put figures on the record, which he obtained from recent statistics, which show that 51·7 per cent of manufacturing and distribution is in the province of Ontario, and 30·3 per cent in the province of Quebec. That shows a trend toward more centralization, because as I have looked at these figures over the years I have found that they have been going up all the time. The last time I looked at them they were around 80 per cent; today they are 82 per cent.

Instead of anyone paying any attention to past discussions in the house on the question of decentralization, we find that the trend is still continuing. It may not be accidental, because this is the pattern that was followed in the United States. The United States built the centre and left the east and the west pretty much as hewers of wood and drawers of water. That influence has crept into Canada, and we are getting exactly the same development.

I want to make it quite clear that so far as the maritime members are concerned we are not suggesting there is nothing we can do for ourselves. At one time the Minister of Trade and Commerce said he was getting tired of listening to maritime members asking for handouts. We are not asking for handouts, Mr. Speaker, and I shall prove that before I finish. I would like to impress on the minds of hon. members that what we are asking is to establish adequate industry, to have a balanced economy and to have some control over our finances. We had that in the maritime provinces before confederation.

If hon. members will take a look at a survey made by the late Norman Rogers, an economic survey of the maritimes over the past 60 years now, they will find that over 50 major industries were siphoned off from the maritimes and located in either Quebec or Ontario, many of them during my own lifetime. The late Mr. Rogers enumerated those industries. Some of them were quite large. There were cheese factories; a skate factory at Dartmouth; a sugar refinery. A nut and bolt factory, a very large one, was moved from Trenton to Montreal as late as 1946. A plate mill at Sydney was closed down and the business taken away to Ojibway, Ontario. There were many other industries. There was a fertilizer plant which was moved from Sydney; there were shoe factories. At least 50 very substantial industries, including the control of seven banks that were established before confederation, staffed and managed by Nova Scotians and maritimers, who used their capital to finance industry and agriculture in the maritime provinces, were moved away. We are not asking the government to bring back all of these industries, but I believe that many of those that were siphoned off and centralized in the central provinces could have made just as great a contribution to the economy of Canada in the maritimes as they can in either Ontario or Quebec.

As I said before, the pattern we are following in Canada is the United States pattern. There may be a good reason for it. Maybe the United States industrialists, United States capital and citizens of the United States on Canadian boards of directors have influence enough on these boards to guide industry and investment to that part of the country to which they want it to go.

I took a look at an old file in my office just for fun today. I picked out a brief that was presented by the United Mine Workers of America to the government back in 1948. It had to do with the Nova Scotia steel industry, and on the point I am just making, the influence of Americans on Canadian corporations, they had this to say:

> There is now ample evidence indicating that American interests control or may shortly control Dosco's huge steel and coal empire.
>
> The American Securities Corporation, 25 Broad street, New York, has acquired since its formation in 1946, what we understand is a substantial interest in Dominion Steel and Coal Corporation Limited.

Mr. Charles G. Terry, president of American Securities Corporation and chairman of the finance committee of Colorado Fuel and Iron Corporation, is now a director of Dosco. Mr. R. J. Wysor, past president of Republic Steel Corporation, has also received a similar appointment to Dosco's board.

It would not seem accidental that American financial and industrial interests are acquiring an interest in one of Canada's great steel plants and deposits of high quality coal. Rather would it appear quite certain that the discovery and development of the enormously rich Quebec-Labrador iron ore field would be a fully adequate reason for American interests wishing to acquire control of Nova Scotia's two major industries, viz, steel and coal.

That statement was made back in 1948. I am not stating that they have control of the corporation, but I am suggesting that men as influential and as experienced in the fields of steel, coal and iron development could be a very large factor in influencing the development of coal, steel and iron in that particular part of the country, and maybe in other industries or in most industries in Canada. We are getting that kind of influence from the United States in developing the kind of centralized economy that we have in Canada at the present time because that is the pattern they follow in the United States.

It is rather hard to answer the question why there has not been a greater expansion of our basic steel plant. There has been some modernization, but it is creating unemployment. The investment in plant for turning out steel has increased very little since 1939. There is talk of another expansion in the production of raw steel, but I could never understand why there was not some fabrication down there. I could never understand why a modern plate mill that employed 600 people, that was established by the federal government during the war, was allowed to go out of production when 90 per cent of our steel plate is imported from the United States. That mill just petered out and was sold. I could never understand why, as recommended by the McKee report—that big company came in there and made an examination of the economy—a tin plate industry was not built around basic steel. They have the steel, the iron ore, the limestone and the coal all within a few miles of where raw steel is turned out.

I think this is a charge that no member of the government can refute. During the war, the government was pouring millions of dollars into corporations for the purpose of developing industry that was to be used for war purposes, and I could never understand why in view of the development of a munitions industry and other kinds of plants that were used for war purposes, and particularly since we started to supply NATO, all the equipment for war is produced in Ontario and then dragged across the country and shipped over to Europe, when the shortest route to Europe is from Sydney where this equipment could be produced much cheaper than in any other part of Canada, in my judgment. You can charge the government with inequality in that respect. The government was making money available to corporations that went into war production.

As I said before, the maritimes are not pleading or begging; they are merely making a claim which they can justify. The maritimes sacrificed considerably for confederation, but we want to build a nation and we are not squawking about that. We recognize our geographic limitations; we recognize our limitations under the British North America Act, and we accept the things that have to be done.

However, we do not feel there is any justification for the fact that over the years the industries that were established in that part of the country were siphoned off and concentrated in two of the Canadian provinces, which has given them an 82 per cent monopoly in the fields of manufacturing and distribution. I do not think any government which permits that kind of development is nationally minded and is thinking of the best interests of all the people in the country.

Let me call as a witness a good Nova Scotian Liberal who in my judgment is a very good man. A dominion-provincial agricultural conference was held in Ottawa in December, 1955, and a gentleman by the name of Waldo Walsh, the deputy minister of agriculture for the province of Nova Scotia, attended that conference and spoke on the subject of centralization and the lack of national planning as far as the federal government is concerned. I think he makes it quite clear that maritime farmers are entitled to some rebate in view of the tariff and the amount of money they spend protecting central Canadian manufacturers. Mr. Walsh had this to say:

Mr. F. Waldo Walsh, Nova Scotia's deputy minister of agriculture, did the Canadian nation a real service last week. At the dominion-provincial agricultural conference in Ottawa he let out some of the economic facts of life as encountered by citizens of these Atlantic provinces.

The print is rather poor.

He intimated what this province paid, and pays yearly, to make the Canadian confederacy possible.

He is referring to Nova Scotia.

Referring to centralized industry in Ontario, he said:

"The great cities where the industry is, where the cars are made, are there because this country has established a system of tariffs and protection that enables them to be there.

Decentralization of Industry

Last year Nova Scotia bought approximately $23,000,000 worth of cars from three firms, all within 60 miles of Toronto. The tariff on them made us in Nova Scotia pay $2,865,000 more than if we bought the cars in the United States without a tariff.

We bought in that same year $100,000,000 worth of goods from Ontario. Tariff and protection on that cost us about $10,000,000."

Mr. Walsh's presentation has since received the public support of his minister, the Hon. Colin Chisholm. While there are men of Mr. Walsh's forthrightness in our public life there may be a slight chance of rescuing the Atlantic region from a state of economic vassalage.

There is a man for whom I have a great deal of respect. In very clear language Mr. Walsh tells us about the amount of money we are paying for protection of the Canadian manufacturers in so far as automobiles are concerned, and he quotes figures concerning the amount of money the province of Nova Scotia is paying to protect central Canadian manufacturers. It must be remembered that these figures relate to only one province. Similar statistics could also be produced for the provinces of Newfoundland, New Brunswick and Prince Edward Island. You could perhaps multiply by three the figures Mr. Walsh gave, and you would have a much better understanding of the amount of money the maritime provinces are paying to protect central Canadian manufacturers. I think that places us in the position where hon. members from the maritimes particularly—hon. members from the prairies and British Columbia can perhaps make the same argument if they look at their own provincial figures—

Mr. Coldwell: The prairies can, too.

Mr. Gillis: I think the type of discussion we are having is valuable. I believe the government should pay particular attention to this discussion, especially in view of the fact that two men who hold the offices of minister and deputy minister in a government similar to the federal government have come out and made the kind of kicks that Mr. Walsh and the minister of agriculture in the Nova Scotia government have made.

I think it is time for the federal government to take a look at the dispersal of industry in so far as it is able to do so itself. The federal government itself has established a lot of industry by way of crown companies, all of which is scattered in the two provinces I mentioned. Much of the industry in the central provinces was heavily subsidized or received grants which were written off by accelerated depreciation. I think the time has come for the federal government to thoroughly check what can be done in relation to economic conditions. It is my hope that when the commission which is studying the economic strains and stresses across the country makes its final report the government will take some action. As I said before, I hope the report is short enough so we can all read and understand it.

It is all right for hon. members to get on a platform or to speak on the radio or to rise in this house and say, "I am a Canadian; I am proud of Canada". Well, so am I; but you know, we have nine different kinds of Canadians in this country, and perhaps ten. There is a vast difference between the economic circumstances and the social possibilities in each of the provinces. The budget of the city of Toronto is much greater than the budget for the whole of one of the maritime provinces. When we talk about being proud of Canada, I think it should mean that we are proud of all of Canada, not of just two or three provinces.

An effort should be made to get a more balanced economy in this country. It would not take very much; you would not have to shift a great deal of industry from Ontario or Quebec to New Brunswick in order to cure the ills of that province. I am sure the Minister of Labour remembers what happened in his own riding. A textile mill at Marysville had operated for over 100 years; then the mill was closed down and the operation was shifted to Cornwall, Ontario, where a more modern mill was available. The company was able to make a little more profit, but the expense to the government of having to retrain those people, and the effects upon the economic and social life of the community in my opinion far outweighed that little extra money the company was able to make. That trend is continuing all the time.

I am glad to see that there is some hope in the maritimes, because the people are convinced that self help is the best thing. They have formed an organization which in my judgment will do much to reverse the trend and overcome this lopsided economic development we have today.

I see in the transportation improvements which have taken place, particularly in Nova Scotia, great possibilities of development in the future. We now have the Canso causeway which overcomes the bottleneck that existed in the movement of steel, coal and other products between the mainland and Cape Breton island. Then there is the ferry from North Sydney to Newfoundland which will help to develop interprovincial trade between that province and Nova Scotia, particularly Cape Breton island. There is also the bridge across the harbour from Halifax to Dartmouth, which will open up the eastern end of the province on the Dartmouth side. Then there is the Bar Harbor, Maine, and

Yarmouth, Nova Scotia, ferry. All these transportation improvements will bring about an improvement in industry and aid in the movement of our products.

In this connection something has taken place that should have taken place 30 years ago, the formation of the Atlantic economic council. It is all right to appoint royal commissions, but there have been dozens of them appointed. They simply write reports, most of them stereotyped, and you cannot get anything out of them; they are simply a rehash of the things that happened 50 years ago. But this Atlantic economic council is building up its membership and is gathering real facts.

In my judgment if in the years that lie ahead we can get a proper survey, if we can have proper planning in the utilization of the resources of the maritimes, if we can increase our interprovincial markets, which is the objective of the Atlantic economic council; if we can group those million and a half people into a market for the products of the maritimes and can save the millions of dollars which we pay in the way of protection for the manufacturers in central Canada; if we can utilize those savings in our own end of the country, these provinces can be self-sustaining. If the people really get behind those who are developing that Atlantic economic council these results will be achieved.

Until that time comes I think the federal government should co-operate with the provincial governments in that end of the country which are now doing some planning along the lines of self help in order to give them assistance or to take up the slack in areas where industry, like the mining industry, has gone out. A small defence industry employing 1,000 people would give great relief to the people of Nova Scotia if it were located there. I am sure that is equally true of New Brunswick, Newfoundland and Prince Edward Island, but it is particularly true of the province I mentioned.

Much has been said here about there being no power, but the fact is that Nova Scotia can supply the power. Make no mistake about it; there is power enough in the province to take care of any industry and there would still be a surplus. I believe there are resources in New Brunswick which would be easy to develop. I am pretty sure that if Joe Smallwood of Newfoundland were given the opportunity to take in an industry he would find the means to do so.

I do not want to monopolize the time of the house in dealing with this particular subject, but it is one I have thought about quite a lot. I have moved a similar resolution time and time again. I am glad to join with my prairie friends and those who have indicated their support of this resolution in asking the government to take a square look at the social and economic developments in this country, to determine for themselves if it is a good thing to adopt the pattern which has been adopted in the United States where they have a super centre and rely upon the east and west for their raw materials and natural resources and brawn. All these are brought into the centre to be developed, and in many cases this is a complete waste of effort.

I should like the government to consider also whether the maritime provinces should be asked to pay protection on automobiles and other things as was indicated in the editorial by Mr. Walsh, the deputy minister of agriculture in Nova Scotia. I hope that every member of this house, or at least some from the different regions in Canada, will put themselves on record in connection with this motion, and that later on the responsible minister will stand up in his place and assure the house that if this question is not thoroughly analysed in the report of the royal commission now studying Canada's economic possibilities, a committee of this house will be able to sit down and go into this matter with the end in view of bringing about a more balanced economy in this country.

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, I had not originally planned to take part in this debate, but I thought it would be desirable to lay before this house and hon. members some facts about the developments that have taken place recently in and around the city of Edmonton. I think these illustrate how the decentralization of industry is actually taking place in Canada at the present time without any government interference or direction.

I do not take the view that government interference or direction is necessarily a bad thing in every case. There are some occasions when it is absolutely necessary. For example, we have our Department of Defence Production endowed with certain powers which we on this side of the house at least think are absolutely essential to our national defence. During the lengthy debate last summer our friends across the aisle apparently did not think too much of the necessity for that particular department to have the powers which we on this side think it should have. Today the hon. member for Brandon-Souris seems to want to put more teeth into the very provisions for government control of industry which he scorned only a few months ago. I say this because the government would really

have to throw its weight about with private industry in order to accomplish what he suggests ought to be done.

I do not want to take up the time of the house by quoting at length from *Hansard* some of the things the hon. member for Brandon-Souris said in opposition to government control and direction of industry. His remarks will be found at pages 4612, 4613, 4614 and so on of *Hansard* for last year. In his speech on that occasion the hon. member vigorously opposed state domination, democratic socialism, national socialism, state socialism, state capitalism or, as he said, whatever name you like to use to describe this trend toward increasing domination by the state. Those are the very words he used. He decried what he described as a tendency toward a completely authoritarian system of direction by the state. As recorded on page 4615 of *Hansard* he had this to say:

> ...I am surprised when I find members of the nominal Liberal party succumbing to what has been described as the dominant dogma of our age, that chaos, confusion and crisis can be stopped only by an increasing resort to coercion and force on the part of the executive arm of government.

I am surprised to find a member of the nominal Conservative party now succumbing to this very same doctrine that he opposed so vigorously on June 9 last year.

Mr. Dinsdale: Mr. Speaker, I did not wish to interrupt the hon. member, but I rise on a point of privilege. I was very precise in all my remarks and I specified several methods—by means of taxation, by means of transportation policies without any interference from the aspect that my hon. friend is making at the moment—whereby the government could assist. In my remarks I went out of my way to point out that private enterprise was taking the initiative in this matter and was away ahead of the government.

Mr. Hanna: Mr. Speaker, I am sure I do not wish to be unfair to the hon. member for Brandon-Souris, but he has just now mentioned discriminatory taxation, for example, and other things. Does that not amount to coercion if it is carried far enough?

Mr. Dinsdale: This is a straw man.

Mr. Hanna: However, I should like to put on record some of the things that industry is doing along the lines of decentralization, in the constituency I have the honour to represent. I think we have some excellent examples there of what we might call forms of decentralization based on sound economic lines. In the vicinity of Edmonton we have had hundreds of millions of dollars invested in industry during the past 10 years, in an area that was formerly the centre of a chiefly agricultural community. Of course some people will say, "You found oil and gas out there." We certainly did, and we are very happy about it. That is one of the main reasons for the industries that we have there today, but I suggest that is not the whole story.

We have several large oil refineries, and we have the terminals of two huge pipe lines, one going to the west coast and the other going to central Canada. But we have much more than that. At Edmonton we had a vast petrochemical industry established a few years ago. In other days we could visualize such huge industries being established only in the world's major cities, such as New York, Detroit or perhaps Montreal or Toronto, but now we have them in Edmonton. The combined investment in this type of industry alone runs to over $100 million, and expansion is still taking place.

Of course some people will say that is purely because oil and gas were found there, but I suggest there is more to it than that. We have also had established at Edmonton in the last very few years—less than five years—iron and steel mills, roofing mills and so forth. At the town of Fort Saskatchewan, which is located some 20 miles from Edmonton and has a population of about 2,000 people, we have a huge nickel refinery, and several other industries of a similar nature are planned there. That, in my opinion, is decentralization of the very best kind, where no government controls at all entered into the picture. There was no government interference of any kind. Industry has established itself there simply because it was economically wise and prudent so to do.

Then we have two pulp and paper mills projected for the Edmonton area, involving a capital investment of over $10 million. One of the pulp and paper mills is being built at a little place called Hinton, 180 miles west of the city of Edmonton. There again we have real and practical decentralization on a voluntary basis.

A little over a year ago a new cement plant costing over $12 million was started in the federal constituency of Edmonton West. It will be starting production this month. This cement plant in Edmonton West was no sooner begun than another company moved into Edmonton-Strathcona and now has near the production stage a second cement plant. Here again was no government direction, but the free play of free competition going full steam ahead in the development of this great country along sound economic lines. So I could

go on indefinitely. Other cities in Alberta are experiencing similar industrial activity, but on a somewhat smaller scale—Calgary, Red Deer, Lethbridge and so on.

Before I close I should like to emphasize this point. Those industries I have mentioned have sprung up at Alberta points since world war II because of very sound reasons. I am convinced that industry generally is keenly aware of the merits of decentralization. The captains of industry are not so slow; I think they have studied most of the points that have been brought up here this afternoon by hon. members. They know the values inherent in decentralization in this day and age, and I think they are not unaware of the fact that we are living in an atomic and hydrogen bomb age. But the captains of industry are also aware of the cost of decentralization. They have weighed, considered and evaluated all the factors concerned. They know there are many considerations other than merely decentralization for the sake of decentralization. I think we must go along with them a long way and recognize that the economic factors of the situation are very important.

Would any hon. member here suggest, for example, that there could be a paper mill established on Baffin island, just because it happens to be remote from our large cities? Where would the raw materials come from? Where would we get the power? Where would we find the workers for such an industry? Probably most important of all, where would we find the markets? How much would such an industry cost if it could be established in such a remote area, and who would meet these extra costs?

An hon. Member: The taxpayer.

Mr. Hanna: My hon. friend says "the taxpayer". I do not want to be unfair to the hon. member for Brandon-Souris, but I should like to know from him just what industry he would like to establish in his own constituency that is not already there. Who is it proposed would do the directing of industry to the many constituencies that we represent here in this house? Would it be left up to the local member of parliament? I certainly hope not. I suggest that this is more a matter for local chambers of commerce to attract industry to these various locations by pointing out the economic benefits that would accrue to the industry and to the community generally by the establishment of a new industry there.

These are some of the questions that deserve consideration before we go off the deep end in this house on a proposition to legislate for the decentralization of industry. Decentralization in this day and age can be made to appear plausible on the surface, but I am sure that it is fraught with many dangers unless we take many other factors into consideration. Decentralization sounds fine, but without a little bit of economic sanity behind it, I believe it is largely a snare and a delusion. We simply cannot fly in the face of economic realities, as has been suggested here this afternoon.

I have nothing but praise for Canadian industry and what it has done so far toward decentralization. I believe decentralization is a good thing. I do not believe that all the industries in Canada should be concentrated in the central provinces. We in Alberta want all the industry we can get, and we are going out after it. The more that comes, the happier we will be. But I believe that we must be realistic about this thing. We could not possibly have deserved, shall I say, a petrochemical industry at Edmonton before the discovery of oil because it simply did not make economic sense.

As I have said, I am not opposed to decentralization of industry. For those areas which, like the one I have the honour to represent, have acquired new industries, we can assure hon. members here that it is a good thing indeed. But our industries have not been brought to Alberta by any kind of government direction. There were strong economic factors behind the new investments that have been made in our community. Without consideration of the economic factors we cannot get very far in the long run.

However, I am satisfied that we shall see more and more decentralization of industry in Canada in the years ahead as our country grows and develops and as new resources are discovered in the various parts of the country. I certainly hope that our good friends in the maritimes get their share. Nevertheless, I think we shall make a great mistake if we try to place on the statute books of Canada any legislation which will arbitrarily force industry to move from one part of the country to another.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it has been a great pleasure to listen to the contributions to the debate this afternoon. I have appreciated greatly the facts which have been placed before the house. Before I begin to discuss what I was planning to discuss, perhaps I should refer to the fine speech of my friend the hon. member for Edmonton-Strathcona (Mr. Hanna). May I point out to him that there is one respect in which he is utterly mistaken, and that is when he supposes that the industrial development in Alberta was not the result of any government activity.

An hon. Member: Oh, oh.

Decentralization of Industry

Mr. Blackmore: Mr. Speaker, I hope the hon. member does not spoil the effect of his fine speech by silly remarks from here on. In the first place, the first thing that started the development of Alberta was the introduction of treasury branches in Alberta, bringing down the interest rates. They brought down interest rates from 8 per cent to 5 per cent. Do you think that would have no effect on the industrial development of any province? That is as simple as it can be.

Then they began to reduce the debt. Do you suppose that any sensible corporation would go in and spend a vast amount of money in a province which was plunging into debt at the cataclysmic rate at which Alberta was going into debt before the Social Credit government took it over? We owed $167 million in Alberta when the Social Credit government took it over. Of every dollar of our revenue we were paying 49 cents out in interest on the debt alone. That is an extremely serious matter. No sensible leader of a corporation would invest money in a province that was in such a desperate financial condition as that. Those are only two things.

Now may I say a word in respect of the discovery of oil and the suggestion that it was not good management on the part of Alberta that caused the phenomenal development of oil. It was good management. There was a definite plan for the development of the oil, and by reason of that plan the oil development took place. Only one or two things need to be said. In the first place the province of Alberta said, "We are going to reserve the parcels of land which are contiguous to any parcel on which oil is discovered; that will mean that it will be impossible for two or three big companies to come in, drill for oil and then blanket the whole province with a monopoly."

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

Mr. Blackmore: As many as you like to ask me.

Mr. Hanna: I should like to ask the hon. member whether he does not consider that the activities of the federal government over the years, particularly those of the former department of mines and resources, had something to do with this oil development in Alberta?

Mr. Blackmore: Up to the time the Alberta Social Credit government had got well under way with its policy, all the federal government did for Alberta was to slap her in the face. That was all they did, slap her in the face. When we first came down here 20 years ago we were just objects of derision. We were just poor doers down at heel because our province had been plunged so terribly into debt. We were not supposed to know how to manage our affairs. We knew how to manage ourselves well enough so that in 1921 we threw the Liberals out and put the United Farmers of Alberta in. They tried to govern the country in something like an economic way. Then in 1935 we put the U.F.A. out and put in the Social Credit government which changed the whole future of Alberta.

An hon. Member: Oh, oh.

Mr. Blackmore: Yes. That is perfectly right. If the hon. member will just ask me questions one at a time I will answer him, and then he will not be foolish. He does not know one thing about Alberta where I know six. He is a foolish young man who has been doing his level best during the last two or three years to throw out of Alberta one of the very best governments on the face of this earth, one with a record which he himself has been adulating this afternoon in his speech. He has been trying to throw that government out, and has been lying about it and misrepresenting it all over the country until we had a most disgraceful situation in the last election in the spring of last year. I will prove every word I am saying right here on the floor of the house before we get through.

If the hon. member has anything to say about it, it is wise for him just to remain quiet and listen and learn. I have been in Alberta ever since I was 2½ years old. I have been in Alberta for 62½ years. I was in the organization that put the U.F.A. in office. I supported the U.F.A. while it was in office. I was in the organization that put the Social Credit government in office. I have watched the development of Alberta with the greatest of interest ever since I was old enough to go to university, which was in 1909. With all due respect to the hon. member, I say to him that he can learn a great deal from the hon. member for Lethbridge about the economic development of Alberta.

Now I wish to say just a word or two with respect to the development of oil. It was not as the result of any accident at all that we got the oil development. If two or three big companies could have come to Alberta, drilled oil wells, found oil and then just bought the monopoly—a great big blanket monopoly—all over the province, the like of which has occurred, for example, in New Brunswick with respect to the woods, it would have been just good night to the development of oil in Alberta.

If there had been in Alberta groups of men who were principally concerned with building a great big pork barrel from which the henchmen of the party would help themselves to money to go out and prostitute the people all over the country and keep them ignorant about facts concerning the province, as was done in British Columbia under the Liberals and Conservatives, so that the fine resources—

An hon. Member: Oh, oh.

Mr. Blackmore: Just a moment now, please. You can have all you wish when the time comes, but believe me you had better know your stuff before you begin asking me questions about these matters. Now, out in British Columbia there were tremendous resources just frittered away, and the effect the Social Credit government has produced in British Columbia has been simply staggering.

Mr. Fulton: It certainly has.

Mr. Blackmore: You cannot laugh that off. Developments have taken place all over the province. Just wait until the next election, and you will find what the people think about them.

Mr. Pickersgill: May I ask the hon. gentleman a question?

Mr. Blackmore: Well, come on.

Mr. Pickersgill: Has the hon. gentleman been reading the British Columbia newspapers recently?

Mr. Blackmore: Of course he has been reading the British Columbia newspapers, as far as he needs to do so.

Mr. Johnston (Bow River): Was that about the Mackenzie King book?

Mr. Blackmore: He is well informed about British Columbia. I should like to go back to the oil question for a moment.

An hon. Member: You had better.

Mr. Blackmore: We are not discussing British Columbia now. If there are hon. members who want to discuss British Columbia, then bring them on. There is no doubt in the world that British Columbia was plunging into debt at the same staggering rate as Alberta was until Social Credit took over. This government of British Columbia has cleared off the debt at a phenominal rate since it took power, and has developed roads and other things as well. However, this is not the time for such a discussion. Today we are discussing the matter of the decentralization of industry.

The hon. member for Edmonton-Strathcona made the statement that he thought everything that has happened in Alberta since 1947 has been accidental. It was very far from that, I can tell you now, and I can prove it beyond a doubt. I spoke about the first thing being to avoid monopoly. Because the Alberta government adopted a policy of crown reserves in respect of oil to prevent monopoly, by 1948, one year after the Leduc discovery, there were 62 different companies of varying strength and sizes drilling for oil in Alberta. Why was this? It was because they knew they would be protected from the big concerns, and they would be protected by the simple device of crown reserve. There is no answer to that.

Here is another thing we did in Alberta. We said to the companies, "We will not charge you a flat rate of royalty. If you have a very fine well that produces abundantly, is close to markets, and it is easy to make money from that well, then we may charge you a royalty of 16 per cent. But if you discover a well that is not so good, is rather far from the markets and is not a profitable well all the way round, we will not charge you any more than 4 per cent". This one simple device guaranteed so much protection to the oil companies it brought them in by the scores and kept them there. It will keep them there from now on, too.

Those are just two of the simple things that were done. There were about eight of them that I could name if we had enough time. I have them at my finger tips. However, we are discussing the matter of decentralization of industry. I will tell you that the only thing the federal government has done for Alberta ever since I have been there has been to put blocks in her way and stop her from developing, just as they stepped in and stopped British Columbia from developing the Castlegar dam with their so-called rivers bill. They just got in the way, as a stubborn mule would. Do you know what they did as a result of that? They took out of the hands of the British Columbia government and people a means of making $252 million in 50 years.

The Acting Speaker (Mr. Applewhaite): Order. I think I should point out to the hon. member for Lethbridge that if he is permitted to make remarks which might be thought in some quarters to be provocative on subjects dealing with the development of natural resources, it will only be fair that the Chair should permit those who perhaps will not agree with him to meet some of his arguments. The resolution we have before us does deal with taking advantage of every possible opportunity to promote the decentralization of industry, particularly with reference to defence industry.

I think perhaps the hon. member could discuss that subject without finding it necessary to go into the development of natural resources in one particular province and extend the scope of this debate as it must be extended if he is permitted to make statements which other members may feel they should answer.

Mr. Blackmore: We would be very happy to provoke them to talk. We have quite a lot of men here who will deal with their nonsense. However, I do not desire to enter into that matter except to answer what the hon. member for Edmonton-Strathcona said. He made remarks that would be interpreted by the good people who were sitting around him at their face value, when as an absolute fact those remarks were erroneous and misleading.

Mr. Hanna: Will the hon. member permit a a question? He has said the federal government put blocks in the way of the development of Alberta oil and gas. Would he mind explaining to the house how the federal government put blocks in the way of the development of oil and gas?

The Acting Speaker (Mr. Applewhaite): I have no intention of allowing the hon. member or other members of the house to go further in pursuing that particular subject, the development of natural resources in any province. It may be, and doubtless is, a very fit subject for discussion in the parliament of Canada, but not under a resolution dealing with the decentralization of industry with particular reference to defence industry. I would ask members of the house to give that line of thought some little consideration during the next two hours.

It being six o'clock, I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Blackmore: Mr. Speaker, in the few moments that remain at my disposal tonight in the discussion of the matter of the decentralization of industry and its desirability, I should like to devote my attention particularly to the need for decentralizing industry. I think the hon. member for Cumberland (Mr. Lusby) gave a very good talk. I appreciated the way in which he approached the subject. As I recall it, he indicated to the house and the country quite clearly that it was impossible for us to have a really sound and flourishing Canada unless every part of Canada is sound and flourishing. Consequently, what occurs in the province of Newfoundland is of vital concern to the province of Alberta and to every other province in the country and, therefore, what occurs in British Columbia or in any other province is of vital concern to the province of Newfoundland.

Little by little I can feel that hon. members, as each succeeding parliament convenes, are coming to realize this more and more, much more than they did in 1935 when I first came here. Bit by bit we Canadians shall begin to see that we must look after ourselves as a whole if we wish to go forward to the glorious destiny which all of us realize Canada can have.

How can this matter of the decentralization of industry be brought about? As I recall it, the hon. member for Cumberland quoted from a recommendation to the Gordon commission. If I am correct, four devices were outlined, as a result of the application of which we might render the decentralization of industry much more common and possible in Canada.

When I visited Britain in 1941 with the empire parliamentary association delegation, I was rather impressed to learn that Britain was divided into twelve regions for the purposes of the war, and each of those twelve regions, as I was informed, had a government of its own. Each had an industrial life of its own. Each had a military establishment of its own, so that in case all the other eleven were overcome by the foe the twelfth one could stand up and fight with all the power and vigour that it was capable of fighting with, with what remained of Britain.

Canada could very well aim at some such thing as that. As matters are now, I think we must all realize rather unhappily that if we get involved in a struggle and the industrial areas of Ontario and Quebec are seriously impaired it will greatly damage our fighting strength. If we were relying upon those two sources for our food and other supplies, and the enemy disrupted our transcontinental railways, it would put us at a tremendous disadvantage. We would be wise to give careful thought to all of this, and probably aim to make each province a self-sufficient unit as far as we can. I think the resources of the provinces are such that in the main that sort of ideal could be almost attained.

When we look at what has happened to the maritimes, as the hon. member for Cape Breton South (Mr. Gillis) pointed out so well this afternoon in that fine speech; when we look at the industries in the maritimes we

find that a most serious deterioration has occurred since they entered confederation. As hon. members will recall, the hon. member pointed out that 50 different industries had been siphoned off, as he said, from the maritime provinces into Ontario and Quebec. That might have been pretty good business for Ontario and Quebec, but it was bad business for the maritime provinces and in the long run it will be bad business for the two central provinces as well.

There are enough resources in this nation to support a population of many, many happy millions; but we shall never have the many, many happy millions so long as all the industry supporting this nation is concentrated in those two central provinces. Out in the other provinces there still is need of economic strength to support an adequate population.

What can we do about it? Well, let us examine for a few minutes the case of New Brunswick and see what happened to her as a result of entering the confederation of Canada. I hold in my hand the submission of the province of New Brunswick to the royal commission on dominion-provincial relations, issued in April, 1938. This submission is a most valuable document, because it undertakes to analyse for us what has happened to New Brunswick and what brought it about. Before I finish my remarks I may read some passages from this document, which, by the way, I commend to the most earnest consideration of every hon. member. First of all, I may say that New Brunswick attributes most of her ills to three main factors; an adverse tariff, which has injured her terribly; adverse freight rates, which have also injured her; and lack of control of credit.

If I may read from page 49 of the document, I think hon. members and the people of the country will be glad to hear these words:

> The disadvantages from which New Brunswick has suffered in relation to the tariff were further accentuated and increased by the unauthorized burden of excessive freight rates on the railways in the maritime provinces after 1912.

May I interrupt there to recall what I was saying just before the house took recess. I said that all the federal government had done for Alberta up to the time the Social Credit government was elected in 1935 was to slap her in the face. One of the means by which she was slapped in the face was by the use of a most onerous and iniquitous set of freight rates, which it was positively a disgrace to foist upon any community whatsoever. The cost of getting goods out and the cost of getting our goods back were such that we hardly had anything left after those rates had been paid. Some of the most monstrous items could be mentioned, but I shall not go into them at present because it would take too much time. I continue reading from the submission:

> Principally as a result of these two elements industries became centralized in the province of Ontario and Quebec.

The two elements there were tariffs and freight rates. The submission continues:

> Large companies having their head offices in Ontario and Montreal bought up many industrial plants in New Brunswick and then closed them down. The manufacturing in New Brunswick at the present time is insignificant as compared with manufacturing in other parts of the dominion.

I do not know what was the matter with the federal government that they did not do something or other to try to stop the purchasing of those industries by these great concerns in Ontario and Quebec. It will be argued that this is a free enterprise country. I will grant that it is a free enterprise country. It is also a country which was organized under the British North America Act to see that every part of Canada prospered equally, and just as soon as the powers that were in Ottawa began to realize that that kind of thing was taking place something should have been done, but something was not done.

An hon. Member: What?

Mr. Blackmore: Someone asks "what". I would be delighted to go into that. I do not think I shall have time to go into it tonight, so I shall have to discuss it at some later time, but certainly something ought to have been done. To say that something could not be done is simply to be utterly unrealistic and to acknowledge that the British North America Act, and Canada under that act, was a failure to begin with, which I am not ready to concede.

It goes on to say in the next paragraph:

> In this connection it is well that the commission should bear in mind that the Canadian banks have been centralized in Ontario and Quebec. Prior to confederation and for some years afterwards we had our own banking institutions in this province and our people were able to obtain money for the encouragement of industry here.

I would think the very first matter of which the government in Ottawa would have taken cognizance was that very fact. Anyone with any intelligence whatsoever could see that if the banks of the maritime provinces came under the control of the banks in Ontario and Quebec, then the industries in the maritimes could be denied credit and could be seriously impaired if not destroyed, greatly to the immediate advantage of the industries in Ontario and Quebec, thereby rendering the maritimes practically vassal states to the two central provinces. It should not have taken intelligence of any high order

to see that, and it should not have taken intelligence of any high order to have devised some means whereby that sort of thing could have been offset.

I do not hesitate to point out what I know every hon. member in the house readily recognizes, that unless we can remove the three disadvantages which the province of New Brunswick points out in the submission, as a result of which New Brunswick is faced with impossible odds, that province will never attain the greatness which she was designed by the Creator to attain. She will never be able to develop her resources and add to her population, and she will never be able to be strong in that sense. She will always be a hewer of wood and a drawer of water, not because she has not the resources or the people willing to risk and toil, but because there is a paralysing force imposed upon her as a result of the indifference—or the co-operation, although I hope not the co-operation—of Ottawa.

What can we do? What the government needs to do and what the people of the country need to do, because we are all vitally interested, is this; find out what can be done in respect of these three matters and encourage people in the country to think about this matter. As I pointed out in a previous speech, there are altogether too many Canadians who view Canada with a snake's-eye view and not with a bird's-eye view, which soars aloft and sees the possibilities of this magnificent heritage which has been bequeathed us. There are possibilities not only for industrial strength but for increased population and over-all greatness arising from the loyalty of people who realize that they are getting a square deal and have a future worth looking forward to; that they can safely raise a family with assurance that the family is going to be able to have the means of supporting dignified and abundant lives. To say that such an ideal is impossible of attainment is to be utterly unrealistic, I maintain, and is tantamount to being a little Canadian instead of a big Canadian, a snake's-eye Canadian instead of a bird's-eye Canadian.

Let us now continue with the New Brunswick submission. The people who wrote the submission do not complain very much, but they do not pull many punches. On the same page it goes on to say:

> The head offices of these banking institutions were removed, after confederation, to Montreal and Toronto where they were situated more immediately in touch with the financial interests by which they were controlled.

[Mr. Blackmore.]

Let us recall what the hon. member for Cape Breton South said this afternoon in relation to the picture which is indicated there. I quote the next paragraph of the submission—

> The result has been that industries in New Brunswick have not been able to obtain financial assistance in cases where such assistance would enable our local industries to compete with those in the provinces of Ontario and Quebec.

To what extent is that true today, Mr. Speaker? That is a question which must be asked and answered. We must also ask to what extent can we by actions in this parliament grant to New Brunswick the means of overcoming this handicap. I do not wish to go into financial matters in too great detail, but it is quite obvious that financial conditions go right to the very root of the matter.

I wish to put it on the record that I commend the hon. member for Edmonton-Strathcona, for the very fine speech he made this afternoon, in which he expressed great understanding and appreciation and exactly the kind of ideals that Alberta people everywhere wish to express. But I point out that one of the great steps in giving Alberta a chance to get ahead was the treasury branch. The province of Alberta, exercising the powers given to her and Saskatchewan under their charter on entering into confederation, was able to lend money out of the treasury of Alberta, which meant that she was able to put at the disposal of the farmers and others in Alberta the credit of the province of Alberta as far as she possessed credit financially.

An hon. Member: Even cabinet ministers.

Mr. Blackmore: That is exactly what was demanded when we first put in the treasury branches. Then we had papers like the Calgary *Herald* and other big, wise know it alls beginning to complain how members of the legislature and cabinet ministers did not dare trust their money in the treasury branches. We had a campaign such as only those people can conduct; and members of the legislature and the cabinet, freely accepting the responsibility that was on them, began to do their banking business in the treasury branches thereby strengthening the treasury branches as a whole and the credit of Alberta so the farmers could produce more. What the members of the legislature did was to help Alberta to become strong, just as the people in a credit union help all the other people who are in the credit unions to be strong. This is plain common sense, and even a simpleton could understand it.

Very largely as a result of the treasury branches in Alberta the province was able to get a measure of control of her credit.

The bankers were not willing to lend in Alberta before the treasury branches were set up. An ordinary man in my district was not able to get a loan from a banker to save his life. The bankers turned up their noses and called common farmers uncredit-worthy. They said it was because the people were indebted, or for any one of a dozen other reasons. But as soon as the treasury branches were established in Cardston and Raymond and several other towns, the bankers came out on the street and buttonholed the men they had said were not credit-worthy before. The bankers were very ready to lend money to them then at 5 per cent, whereas before they would not have lent it at 8 per cent. I mention this just to show how potent was the effect on the Alberta economy of the introduction of the treasury branches. I submit that if we could build a set-up in the province of New Brunswick under which the province with the assistance of the dominion government, using Bank of Canada funds, could set up something comparable with the treasury branches of Alberta it would be simply astonishing how rapidly the economy of New Brunswick would begin to revive, just through a simple device like that.

There is one other thing worth considering. If it be that New Brunswick is too small a province, too insignificant to manage an important financial concern, then why not have New Brunswick and the other three Atlantic provinces combine their financial strengths? Let this Atlantic economic council, about which the hon. member for Cape Breton South spoke this afternoon, be given the power to establish financial means in the four Atlantic provinces as a result of the use of which they could begin to rebuild their economy. If that were done then we would find an immediate change for the better, which change would accelerate as the days went by, just as it has in the province of Alberta.

As I said a few minutes ago, there is simply no need for us to sit here and say that nothing can be done about this situation. There is no reason why we should be objects of contempt to such people as the communist leaders of Russia. There are plenty of producers in this country if we use free enterprise the way it could be used. We could then make Russia look like a nation of pikers. Let them do the best they can under their state ownership and socialism; we could do still better. What we lack in this country is not production, because we can produce until further orders.

That has been proved over and over again. We literally smothered our foes in two world wars with production, using private enterprise. The thing that on those occasions made it possible to use private enterprise to such advantage was that we then had the money with which the people could buy. That indicates quite clearly that it is a matter of finance. To say that we cannot devise means in this country whereby we can make our financial instruments the servants of our productive instruments is to prove ourselves unworthy of being where we are. I read further from page 50 of this report:

> Pertinent cases may be cited where local industries in this province have been destroyed because of the difficulty of financing and we submit that finances have been withheld as local industries might come into competition with similar industries in the last mentioned provinces.

I appeal to all hon. members. Can you think of a more hopeless position in which a group of people could be than that in which the province and the people of New Brunswick found themselves under circumstances like that? At the same time you have people boasting all over the place about free competition. There was not anything resembling free competition under those circumstances. New Brunswick could no more compete freely with industries in Ontario and Quebec than a man could compete with a wrestler when he had both hands tied behind him. There is one suggestion I make as to how we can overcome the disadvantage which confronts us.

There is further discussion to be found on page 63, but I have not time to go into that because my time is practically exhausted. This indicates how the tariff was used to choke off and destroy the fish canning industry of New Brunswick. I wish I had time to read all that will be found on page 64. They set out a number of little technicalities, rules and devices which permitted the tariff to be used to place difficulties in the way of this great industry which represented an investment of $2 million, and it was practically ruined. I am not sure whether it had to close its doors.

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

An hon. Member: Let him go on.

Some hon. Members: No.

Mr. Blackmore: Mr. Speaker, I do not wish to question your ruling, but the point is that we did not start until three minutes after eight. I did not get under way until a quarter to six, and I was interrupted with question after question. I have said practically all that I proposed to say. My message is

this. Let us not assume that there is nothing that can be done about this situation. Let us stand up to our responsibilities.

Mr. Deputy Speaker: Order. I should like to say once more that I have found the officials at the table extremely accurate in this matter of time. The hon. member commenced speaking at 5.45 and spoke until six o'clock. He recommenced again this evening at 8.02 and therefore his time had expired at 8.27.

Mr. Blackmore: Did you take off the amount of time Mr. Speaker occupied and the amount of time occupied by questioning?

Mr. A. M. Fraser (St. John's East): Mr. Speaker, in rising to take part in this debate, first of all I should like to congratulate the hon. member for Brandon-Souris for moving this resolution. I think he has raised a question which is important and timely. With the principle that the government should encourage the decentralization of industry I have no quarrel whatever, but the practical application of that principle is another matter. I hope to be able to consider that further on in my speech.

There is perhaps no need for me to remind the house that there are many economic factors governing the localization of industry with which this whole question is intimately bound up. First there is the question of the availability of raw materials. Second, there must be an available and adequate supply of skilled labour. Another essential is the proximity to large markets, and here I am thinking not only of the actual number of consumers composing the market but the purchasing power possessed by those consumers. We know that if a demand is to be effective it must have purchasing power. Another indispensable factor is cheap and efficient means of transportation, and another is a plentiful supply of power at reasonable rates.

To these important economic factors perhaps two more might be added, namely an adequate supply of capital and an adequate supply of managerial ability. However, these are much more mobile factors and respond more quickly to the magnet of the other factors, particularly the movement of capital which naturally gravitates through the sensitive mechanism of the money market to those areas in which it can be employed to the best advantage.

It is obvious that for all these reasons some areas are better endowed by nature than others to become great industrial centres. It is hard to resist the pull of natural advantages, and indeed it is not always desirable to attempt to do so. All through history economic and geographical factors have powerfully influenced the location of industry, and in our own time modern technological developments have contributed to industrial concentrations.

I should like to turn now to the problems that arise out of the centralization of industry, especially when that centralization becomes excessive. First of all, undue centralization of industry militates against a wider and more even distribution of prosperity throughout any country. Second, it causes a drain on labour skills and business ability from the periphery to the centre of the country. I have often heard it said that the Atlantic provinces have been threatened with the loss of some of their best brains to other parts of Canada. This movement of population imposes a heavier burden on those who remain. A single example might perhaps suffice to illustrate this point; the per capita cost of provincial services immediately rises.

Another aspect of this problem to which I think we might devote a few moments is that it is a self-perpetuating process. The exodus to the centre swells the mass market, for instance, of central Canada, thereby increasing the advantages of industrial location there. At the same time it produces precisely the opposite effect in the peripheral provinces. In a sense it is a vicious circle, with cumulative effects that are very serious to the lesser industrialized provinces. Then again, it causes population congestion in the great metropolitan centres, with certain social and moral disadvantages to which various hon. members, including the mover of the resolution, have drawn our attention and upon which it is unnecessary for me to dwell at any length. Certainly it makes great problems for municipalities in such matters as juvenile delinquency, traffic difficulties and so on.

In my opinion one of the most important aspects of this question is the strategic aspect. We all know that we are living in a thermonuclear age and that nuclear air attack, if it comes, which God forbid, will cause heavy casualties in our populous centres. The incidence of these casualties will be all the greater because of congestion of urban centres. Then too, from the standpoint of the effect of such attacks upon the country's economy, that economy is undoubtedly rendered more vulnerable by undue centralization of industry. If a country's industrial centres are knocked out, the entire economy can be paralysed because the flow of goods to the rest of the country will dwindle to a trickle or perhaps even cease altogether. Wider dispersal would mitigate this problem.

Undoubtedly Canada has the great advantage of wide spaces, and it seems to me that

this advantage should be utilized to the utmost that is practicable. What I have said particularly applies in the case of defence industries which, of course, are all-important in war. We do not want to be faced with a situation in which the fighting strength and power of resistance of the country may be knocked out by a few terrible blows on great industrial centres. It is my view that the problems of civil defence—and we know they are very grave and very complicated—are aggravated by undue centralization of industry.

The problem of industrial centralization has, in my opinion, particular relevance to my own province of Newfoundland. Here the impact of industrial centralization is felt by both the consumer and the producer. Newfoundland has derived great benefits from the union with Canada. That is recognized very clearly in Newfoundland, particularly as regards social services; but I should like to point out that there is another side to the picture.

Prior to confederation the Newfoundland consumer could buy in the cheapest markets. Now this freedom has been circumscribed to some extent by the Canadian tariff system. Here I should like to refer to a few figures concerning the distribution of Newfoundland's external trade before union, when separate statistics were kept. In the year 1947-48, for instance, Newfoundland exported to Canada goods to the value of $11 million, but imported from Canada goods to the value of almost $55 million; so that even before confederation the mainland of Canada enjoyed a favourable trade balance with Newfoundland by almost five to one. Since confederation, although no official figures are available, there can be no doubt that sales from the mainland of Canada to Newfoundland have greatly increased. An estimate by one competent source has placed them at about $150 million. That, of course, is unofficial, but I think it is a fairly accurate estimate.

Of course there has been a marked diversion of Newfoundland purchases since union from other countries to the mainland of Canada, particularly from the United States. Unfortunately, however, there has been no corresponding increase in Newfoundland sales to the mainland of Canada. That is perhaps inevitable in the economic circumstances, for the mainland and Newfoundland economies are competitive rather than complementary.

This is particularly true in the case of two of Newfoundland's three staple exports, namely fish and newsprint. The only important exceptions are iron ore and, to a lesser degree, fluorspar.

Decentralization of Industry

It will not have escaped the notice of the house, I know, that recently the provincial government of Newfoundland, under the dynamic and imaginative leadership of Premier Smallwood, to whom I was glad to hear the hon. member for Cape Breton South pay such a handsome tribute earlier in this debate, has undertaken a bold program of industrial development. New industries, some 16 in number, have been established with government assistance and under government sponsorship, though not under government management. Some of those industries look to the Newfoundland market; others to the mainland markets. Sales in the Newfoundland market benefit the Newfoundland consumer and help to some degree to offset the disadvantages of centralization of industry.

Sales to mainland markets are, however, handicapped by distance. Newfoundland is at the end of the line, on the extreme east coast. It is, of course, a maritime province in the sense that it is an oceanic province, an island province. Low coastal shipping rates are essential to the Newfoundland consumer and producer alike. We must have low-cost shipping facilities. The keenest possible competition among shipping services is necessary in order to keep down shipping rates.

Here I feel I must refer to a matter which is giving very great concern to Newfoundlanders at the present time. That is the attempt of certain mainland shipping interests to exclude ships of United Kingdom registry from Canadian trade. This exclusion would be fatal to Newfoundland. I cannot overemphasize that fact. It would be really a death blow to the island's economy. It should be borne in mind that the only other means of transportation of goods into and out of the island is by means of a narrow-gauge, single-track railway which is greatly overburdened at the present time.

Another aspect of this situation to which I should like to draw the attention of the house concerns its fiscal effects. Newfoundland's contribution to the federal treasury is, I believe, much greater than it might appear at first sight, because of the sales made in Newfoundland of goods produced on the mainland of Canada. Federal excise tax and federal sales tax are paid on those goods produced on the mainland and sold in Newfoundland, but when the taxes come into the federal treasury they come not from Newfoundland but from the provinces of the origin of the goods.

Then also I think it is important to point out that a considerable part of the corporate income tax paid by mainland companies on manufactured goods sold in Newfoundland and personal income tax paid by employees

of all ranks in these firms are, to some extent, due to the sales made of these goods in Newfoundland. That, of course, is true also of other provinces which are consuming centres for the great industrial regions of our country.

As has been pointed out by the hon. member for Cumberland who, I thought, made a most admirable contribution to this debate, there are practical limitations on the role which the federal government is able to play in this matter of encouraging the decentralization of industry. First of all there are the constitutional limitations of our federal system. Second, there are the economic limitations imposed by economic laws operating within the private enterprise system. Both these systems, in my opinion—that is the federal system and the private enterprise system—are essential to the development of our country.

It is true that this framework imposes certain unavoidable limits upon the opportunities with which the federal government is presented to encourage decentralization. Nevertheless, I believe that even within this framework there are steps which can be taken by the federal government. Of course these have been taken, and they have contributed in large measure to the development of the provinces in all parts of the country. I am confident that these steps will continue to be taken by the government which has done so much to promote the prosperity of the nation as a whole.

Amongst these I would single out for special mention the maintenance of equitable freight rates; co-operation with provincial governments in scientific surveys of natural and industrial resources, particularly in the underindustrialized areas of the country; and the placing of government orders, where these are possible and economical, with firms operating in underindustrialized areas.

I offer these comments in no merely provincial spirit but from the standpoint of Canada as a whole. In this great country of ours the prosperity and the well-being of the whole are inextricably bound up with the prosperity and the well-being of all the parts. The optimum development of the industrial resources of every province of Canada is in the best interests of the Canadian nation as a whole.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I am glad to have the opportunity to take part in this debate, but only for a brief period, I hope, because I realize it is an important one and that there are many other hon. gentlemen who want to take part in it. The day is a rather short one because of the fortunate circumstance at 2.30 this afternoon, when we had the opportunity of greeting the head of the Italian state. I therefore intend to speak but briefly. In fact, however, I should like to speak for a long while.

[Mr. Fraser (St. John's East).]

One sometimes gets disturbed—I will not say irritated—by what one hears. This afternoon I thought suggestions were made—perhaps it is oversensitiveness on my part—that some people were a little bit worried about the maritime province or felt that the maritime provinces were making some special plea on this occasion. Actually, Mr. Speaker, that is not the case, and I think all of us from the maritimes rather resent any such implication. I almost caught that suggestion, I thought, from the remarks of the hon. member for Edmonton-Strathcona, who said he did not think anything could be done by legislation and that nature would have to take its course.

After all, some of us remember the fact that before they joined confederation, the maritime provinces happened to be the most prosperous section of what was then the Dominion of Canada, and that some parts of Canada which now boast of their wealth were occupied only by Indians. Sometimes we almost wish they still were, to be a little bit facetious about the matter. Certainly the natural resources about which they boast today were part of the natural heritage which we assumed was being taken over by the provinces which at that time formed confederation. At any rate, whatever may be the accident of geography today, the fact remains that in those eastern provinces there was a remarkably high degree of prosperity. After confederation that prosperity—to put it mildly and to use a conservative understatement—did not maintain the same relative position.

I realize that there are historical reasons for that fact. In the first place, just before confederation there was the civil war and the great prosperity which the maritime provinces enjoyed through being able to ship goods to the United States. I almost think one could be frank and say that they shipped goods to both sides over the border during that conflict. There was also the fact that the great wooden shipbuilding industry, which had flourished in the maritimes, had given us a predominance in trade not only with what was then Canada, the eastern provinces and British North America as such, but also in trade all over the world.

Of course, shortly after confederation came the economic development of the steel ship and wooden ships passed out of commercial

practice and practicality. It may be—and I think possibly the criticism can be fairly levelled—that in the maritime provinces, particularly in Nova Scotia, an effort should have been made to shift from wooden ships to steel ships, to maintain the position which we theretofore had occupied. But whether or not that is a fair criticism, the fact remains that the shift was not made. As a result, shortly after confederation the relative prosperity of the maritimes lapsed and we did not keep pace with the rest of Canada. I am also prepared to admit that in the maritimes sometimes there has been too much of a habit of placing one's head on the shoulder of confederation and weeping over the ill effects of confederation upon the maritime economy.

I think we have overplayed that, frankly. I think, to a large extent, it was political. After all, confederation became a political issue in our province. The Liberals were opposed to it. They fought it and they carried all the maritime governments against it after confederation and, in fact, once before it. When prosperity slipped away, whether it was their fault or whatever the reason, there was a natural tendency to say, "Well, didn't we say confederation was a bad thing." Then all the maritime governments began weeping on the shoulders of confederation; it became a provincial policy to place the blame largely on confederation. That is part of the background of this feeling which we sometimes hear suggested, as we did this afternoon, that we have overemphasized the disabilities which we have suffered.

Whether or not that was justified in the past, it is not for me to say. But I can say this. I think the maritimes have tried to accomplish something despite some of the obvious disabilities from which they suffer. This is not the place to discuss it. When the estimates of the Minister of Transport are before us one could take a full 30 minutes in that committee, then continue after an interruption for another 30 minutes, speaking on the freight rate structure and the disabilities which have been imposed upon the maritimes because of it.

When we entered confederation we were told, it is true, "You are not going to be able to ship to the south. You are not going to be able to enjoy the trade pattern which you have enjoyed heretofore. But there is going to be an east-west pattern developed, and you are going to profit immeasurably by that." The Intercolonial Railway was built for that purpose. Up until 1911 or 1912, before the outbreak of world war I at any rate, that pattern was fairly well maintained. Since then it has been forgotten, and as a result the freight rate structure is such that it is very difficult for industries in the maritimes to enjoy this east-west trade that was at one time promised to them.

Notwithstanding that, Mr. Speaker, there are firms in the maritime provinces which have maintained a national position, and not only those in the luxury trades such as confectionery. For instance, the hon. members for Halifax have one great national firm there, and there is another one in New Brunswick. Despite all the difficulties of the textile industry, that industry in Nova Scotia is still maintaining a national position. There are the heavier industries such as Enterprise Foundries at Sackville, which manufactures stoves and furnaces, amongst the heaviest articles manufactured today. They are still maintaining, either by good management, by ability or by fighting against this adverse trend, a national position. There are many other firms in the maritimes which have done likewise. As the hon. member for Cape Breton South suggested this afternoon, it is true that many have disappeared. On the other hand, there have been at least some which have been able to maintain their position.

The situation in the maritimes has not been one of stagnation. It has been one of development, but our complaint is that relatively the development has been, I will not say immaterial but at least not in keeping with the developments that have taken place in other parts of Canada. I just happened to be glancing over a report of the Nova Scotia Light and Power Company. We have a public utility commission in Nova Scotia, and we have a large privately owned utility. There are also two or three smaller ones. When you glance over that report you notice that during the last five years the output of electricity by this firm has been doubled. It has been trebled since the war and they are envisaging doubling it again in the next seven years, and again doubling it in the following seven years. They do realize that there is development taking place in the maritimes, particularly shall I say in Nova Scotia.

If one looks at the population figures one sees that our population in that province increased by 11·2 per cent between the two censuses of 1941 and 1951. I notice, and I am sure the Halifax members are proud of this fact, that the population of the city of Halifax has increased between 1941 and 1951 by over 35 per cent. It has only been exceeded by four other cities in Canada, the four western cities of Edmonton, Calgary, Vancouver and Victoria. We are not, therefore, in

a position of weeping on someone's shoulder. We are not sitting here crying at the moon, and we are not saying that the situation is hopeless or that nothing has been done. We are appealing to the government to help us.

Our people there have tried to help themselves. I should like to say of the Nova Scotia Light and Power Company, to which I referred a moment ago—I am sure the hon. member for Cape Breton South would support me in this if he were here—that instead of using oil in its generating plant, as it could have done being situated at Halifax, it has installed steam generating plants using Nova Scotia coal for the development of that steam, thereby increasing the use of Nova Scotia coal. If their plans are carried out for doubling and redoubling the output in the next 14 years, there will be a tremendous increase in the use of Nova Scotia coal by that one plant alone.

As I have said we have tried to do, and I think we are doing, something to counteract this situation which developed following confederation. As the hon. member for Cape Breton South said this afternoon, I think the organization of what is briefly called APEC, or the Atlantic provinces economic council, is a forward step. We believe it will have a marked impact on the development of the maritime provinces. You now have the four Atlantic provinces, not just the maritime provinces but the four Atlantic provinces of Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island, associated in one economic council with a secretariat and staff organized to make studies of the problems with which we are confronted and attempt to arrive at some solution on a common basis. I am quite sure when that economic council, financed by three Liberal governments and one Conservative government at the moment, make their recommendations they will not accept the suggestion that was made this afternoon that there is nothing the federal government can do to assist in carrying this into effect. I believe there is.

As I said, whatever developments we have made—and I emphasize this because sometimes I think the suggestion is that we have done nothing for ourselves—nevertheless it is the relative position which disturbs us. I should like for a moment to give one or two figures with respect to that. I am speaking now of the three maritime provinces. In 1949 we had 9·2 per cent of the total national population. By 1954 that had dropped, not terribly but nevertheless it dropped, from 9·2 per cent to 8·7 per cent. Our percentage of labour employed had dropped from 8·3 per cent in 1949 to 7·5 per cent in 1954. Perhaps most important of all, Mr. Speaker, the percentage of new investment and capital investment had dropped from 6·5 per cent to 4·8 per cent, which is a very substantial drop in new investment.

In so far as Nova Scotia itself was concerned, I could not get the figures for the maritimes for 1954, but I did check with the dominion bureau of statistics this afternoon and they gave me these figures for the percentage of new investment and capital investment in Nova Scotia in 1950, as 3·7 per cent. In 1955, last year, it had dropped to 2·8 per cent. In this connection it should be pointed out that our manufacturing investment dropped over 24 per cent between 1949 and 1955. In other words, Mr. Speaker, the 2·8 per cent of the national investment which we had in 1955 was largely represented by institutional investment, hospitals, schools, plus investments made by the Minister of National Defence in enlarging national defence organizations in the maritime provinces and in Nova Scotia.

As I said, when you see that our manufacturing proportion dropped 20·3 per cent, despite the fact that in other parts of Canada it increased tremendously, you can understand that we are somewhat concerned about the situation. If it had not been for the investments made by the Department of National Defence in their installations—not in productive facilities such as factories—at Shearwater, at Stadacona, at Greenwood in my own constituency, and at Cornwallis in my own constituency, and all over because of our geographical position, because we happen to be one of the provinces on the eastern seacoast which has to be prepared for whatever emergency may come, we would be in a worse position. Because of our geographical location we have had this tremendous expenditure in national defence installations, which accounts almost entirely for the new capital investment which has taken place in the maritimes. It has accounted for almost all of the new capital investment which has taken place in Nova Scotia during the last few years.

We all know, Mr. Speaker, or we all hope, that this type of expenditure will not be permanent; that it is something based on an emergency, and it is not productive except for the moment. Because of the enlarged barracks and the increased and enlarged installations we of course get the wages and salaries of the personnel and their purchases, and it all contributes to an expanding economy. But when the time comes, as we hope it will, that these expenditures can be restricted, then the economy of the maritimes

vis-à-vis the rest of Canada will be even worse than before these expenditures were made.

When you see the briefs which have been filed with the Gordon commission—I am not going to read the figures which were given this afternoon—which show that over 80 per cent of all of the industrial development is taking place in the two central provinces; and when you envisage all this great further development which is going to take place along the St. Lawrence river basin and in southern Ontario, I do not think those of us who come from the maritimes can be criticized if we suggest that something should be done to reverse this trend and try to make national production more widely distributed in this country.

The hon. member for Edmonton-Strathcona said, "Well, you cannot of course do this by legislation". No one is suggesting, at least in this resolution, that it can be done by legislation, but legislation can accomplish something. I did not hear him objecting in the last three weeks when we were discussing legislation which was certain to be of benefit to some parts of Canada, Mr. Speaker.

We have on the order paper legislation which presupposes the expenditure of some millions of dollars for the construction of a pipe line, which will be of assistance to some parts of Canada but certainly not to the maritime provinces. We have had on the order paper and in the estimates hundreds of millions of dollars for the construction of the St. Lawrence seaway, which certainly is not going to benefit the maritimes; in fact, it is going to be an absolute deterrent to them in every way, shape and form, and that legislation was perfectly acceptable. I do not think there were any shudders or any nausea when it was passed.

I can say this. The members from the maritime provinces support that legislation because we believe in Canada, and we want to see a strong Canada developed, even stronger than that which we have had heretofore. But we do believe a national policy works both ways. A national policy should not be created to make only a strong centre, which we perhaps are a little bit envious of but which we accept. We also believe it should be extended to the periphery of this country as well.

Today we heard something about the constitutional problem; that constitutionally this parliament cannot do anything. But, Mr. Speaker, the constitutional problem is greater in the United States than it is here because, if I remember my constitutional history and constitutional law at all, in the United States the residuary power is vested in the individual states, and only delegated powers are vested in the central government, whereas our position is the reverse.

Well, what do we find in the United States? We find that country has been able to pass legislation and to offer tax exemptions, for instance, to industries which will locate in certain states, giving certain inducements so far as freight rates are concerned to industries which will locate in certain states. The President has directed national defence industries to locate in certain states. These are three steps which have been adopted and carried into practice by the United States of America. I suggest, Mr. Speaker, if that can be done by that country with their constitutional problems, then the same thing can be done by our country where the constitutional problem is far less.

The hon. member for Cape Breton South spoke this afternoon about the steel industry and what could be done there. We all believe this in the maritimes, Mr. Speaker: the thing which made us prosperous in the past, and which made us great, really—and we were great; we were small but we were great provinces—was the fact that we had an export position. We could take part in international trade, and we were able to ship to the markets of the world.

We still have that export position. You cannot tell me that with a steel plant such as we have in Nova Scotia, or such as could be developed there, the Minister of Defence Production or this government could not direct that more of those products could be made in Nova Scotia or in the maritimes so they could be shipped more economically to our NATO allies and to other parts of the world. There are scores of things such as this that could be done.

I am not going to elaborate further because I made a promise to myself that I was not going to speak so long as to interfere with the half a dozen others who I am sure want to speak, but I do say in conclusion there are things the government could do. There are certain constructive measures that could be taken either by freight rates, by taxation, or by the allocating of industries, and probably in more ways. If we had the time, if we had two or three days in which we could debate this, I would like to make further constructive suggestions with respect to it. But I do say that I heartily approve of this resolution, and I believe that every hon. member should approve it. We are all proud of Canada; we are all proud of the fact that we are Canadians, but we do believe, those of us from the periphery, that something along that line should be done.

Perhaps those from the west coast, because they have been blessed by Providence with greater wealth and natural resources than we have been blessed with in the east, do not suffer from the peripheral position to the same extent we do; but this country can never become the country that the fathers of confederation envisaged unless we develop a national policy which will make all parts of Canada relatively prosperous. It is not that we expect the 80 per cent of the industrial development, or anything of that kind. But I know, I am convinced, that steps can be taken to rectify this trend which has developed here, not during the last few years but for many years. The time has come when it must be rectified; I believe it can be. I think this resolution, although of course it is only a resolution, envisages and presents to the house the possibility that it can be done.

(*Translation*):

Mr. Fernand Viau (St. Boniface): Mr. Speaker, the resolution introduced in the house this afternoon by the hon. member for Brandon deserves another reading for the information of the hon. members. It is as follows:

> That, in the opinion of this house, the government should consider the advisability of taking advantage of every possible opportunity to promote the decentralization of industry, particularly with reference to defence industry, thereby,
>
> (1) helping to reverse the trend towards concentration of population in large metropolitan areas with the accompanying social evils;
>
> (2) encouraging a more equitable distribution of population and development right across Canada, and
>
> (3) assuring the strategic dispersal of vital war industries in the interests of national defence.

The principle of that resolution or motion presented by the hon. member is perhaps very commendable, but we are indeed surprised that the opposition should put forward such a resolution since it amounts to inviting the government to implement a regimentation policy which has long been denounced by the Liberal party. We would understand a motion like this being introduced by a socialist group, such as the C.C.F. party but coming as it does from a Progressive Conservative member, it surprises the house.

Of course only an authorized spokesman of the Progressive Conservative party can present such a motion in its name. This new stand in favour of regimentation can only be explained by the fact that his party has never, for more than a quarter of a century, put forward a clear-cut policy as far as the economic and social welfare of the Canadian population is concerned.

A few weeks ago, we witnessed a tragedy on the T.V. screen when the young representative from Three Rivers (Mr. Balcer), proud of his membership in the Progressive Conservative party and in his capacity as chairman of the national association of his party, was utterly unable to state the Progressive Conservative policy in answer to questions put to him by newspapermen on behalf of the Canadian population.

It is therefore not surprising that the house was astonished this afternoon to hear a member speak in favour of a policy of regimentation because but a few months ago, in fact last July, the official spokesmen of the Progressive Conservative party emphatically opposed certain powers that parliament proposed to grant to the right hon. Minister of Trade and Commerce and of Defence Production (Mr. Howe).

Industrial decentralization consists in using regimentation to uproot certain industries established in the industrial provinces of Quebec and Ontario, and forcing them to establish themselves in other provinces, following a survey of the industrial situation throughout Canada, from the Atlantic to the Pacific.

Tonight I would like to state the views of western Canada, and more particularly those of Manitoba. I believe that the policy so well shaped by the Liberal government of Canada has, everywhere and at all times favoured industrial decentralization because, after all, even in Manitoba, during the war, we witnessed the departure of a large number of our young people and heads of families who enlisted to defend their country. Others went to work in industries established in the provinces of Quebec and Ontario; in spite of all that, many Canadian citizens came to settle in the western provinces and particularly in Manitoba.

Since the great victory of the allies in 1945, numerous industries have established themselves in Manitoba, where an imposing number were already operating. For instance, in my own city of St. Boniface we have the largest stockyards and packing plants of the British Empire, while in greater Winnipeg there are large textile, clothing, sugar beet, cement and other industries. Since 1945 more than 500 new industries have been established, a fact which has enabled the people of western Canada to receive each month a large amount in the form of salaries. The establishment of these industries has obviously contributed to the economic advancement of the Canadian nation.

Salaries in western Canada packing plants are in excess of $14 million. I wonder if the hon. member for Brandon would not be the first to protest, if the government were forced, as a result of this motion having been carried, to require, for instance, the packing plant in Brandon to remove to Portage la Prairie, shall we say, so that the people of that community could be allowed to enjoy the economic benefits accruing from such a plan. Yet, that would just about be the policy which would follow upon the passage of that motion.

I do not think we should adopt that motion since the Liberal government, after all, ever since it came into power back in 1935, has taken all possible steps necessary towards improving the economic and social well-being of the Canadian people.

As regards decentralization, may I point out that industry has always been encouraged along that line by legislation introduced in this house and now placed on our statute books.

The report of the industrial development bank indicates that it has on numerous occasions extended financial assistance to those Canadian citizens who wished to establish industries in western Canada. We might add too that the National Housing Act has made possible the building of a great number of houses in western Canada. All that has brought constant benefits to the Canadian people. These are but two instances of beneficial legislation enacted by the Liberal government. Such legislation is abundant. With the support the Canadian people has always given the Liberal government, I am sure that we will be able to keep on improving the economic standards of our country, which makes the envy of all the other nations of the world.

I am opposed to such a motion because it would mean the enforcement of an act of regimentation which, as I stated a moment ago, is inconsistent with the policy of the Liberal party. Moreover, through the increase in population in western Canada, and the establishment of industries in always increasing numbers and through the help of the minister of industry and commerce of Manitoba,—who has done everything in his power and has even appointed a foreign representative to find ways and means of bringing new industries to western Canada, all that with the support of the federal government—western Canada will soon enjoy constant prosperity in the industrial sphere. I would rather support a policy of steady economic progress, such as we have always enjoyed since the Liberal government came to power in 1935.

The beneficial steps taken not only by the provincial ministers of western Canada but especially by the federal Liberal government were meant to ensure the progress of the agricultural industry which has steadily improved not only under the right hon. Minister of Agriculture (Mr. Gardiner) but in particular under the direction of the right hon. Minister of Trade and Commerce. I am sure that but a small minority among Canadians, during the depression, would have been ready to burn them in effigy and that, with the present economic and social development going on throughout the country, the Canadian people are willing to erect a monument to these ministers. All this is due to their knowledge of our problems and of course to their desire of forever upholding the great principles of the Liberal party.

Mr. Speaker, these are the few remarks I wished to make tonight. I am sure that what we want is to maintain our policy which has been so firmly established for a long time and to reject any legislation conducive to regimentation.

(*Text*):

Mr. A. J. Brooks (Royal): Mr. Speaker, I wish to take only a few minutes this evening to discuss this resolution. The resolution is quite familiar to me, because I have heard similar resolutions moved in the house a number of times. I want to congratulate hon. members who have spoken already, particularly the hon. member for Brandon-Souris, who moved the resolution, and the hon. member for Digby-Annapolis-Kings, who spoke of the situation in the maritime provinces. As a matter of fact it was such a splendid speech and illustrated our position so well that I feel it is hardly necessary for me to say anything. I want to thank the hon. member for Lethbridge for taking up the cudgel on behalf of my own province of New Brunswick.

This subject has been debated in the house on many occasions. I remember in the late thirties when it was brought up. Then during the second world war we asked that industry be decentralized and different sections of the dominion given a share in the production of war materials. We brought up the matter

during the so-called cold war and requested that the outlying sections of Canada, such as the maritime provinces and certain sections of the west, be given some opportunity to produce war materials. Even now we do not consider it is too late for the government to give consideration to this important problem.

It has been pointed out that with industry concentrated in great centres like Montreal, Hamilton and Toronto, in case of an attack, if such a thing should happen, the country would be in a very poor position indeed. Our war industry could be entirely destroyed without much effort on the part of the enemy.

Despite the fact that these matters have been discussed in this house for many years, what is the net result? As has been so well illustrated by speakers here today, I think it can be said that the net result is that there is more industry today in Quebec and Ontario than there ever was before. The people of the maritime provinces and other parts of Canada who were poor before are today poorer, while the people in the central part of Canada are richer today. That is a state of affairs which we hoped would be corrected.

It is not necessary to go back into history to the days of confederation, because those days are past and gone and we must look to the future. To review the situation which has existed in this country for 80 years is not going to help us. Of course we can tell how in 1871 New Brunswick had 10 per cent of the industry of this country while its population was not 10 per cent of the whole. There was hardly a village or town in any part of New Brunswick or the maritime provinces that did not have its small industry. The economy was well balanced, the people were happy and contented, and they stayed in their own part of Canada.

As the hon. member for Cape Breton South has said, today Ontario has 49 per cent of the industry of Canada, Quebec has 33 per cent, while New Brunswick with a population of practically half a million has only 2 per cent of the total industry of Canada. Such a situation is not healthy, and I feel it is one which should be corrected.

The sad deterioration of our position during past years can be blamed, as was pointed out by the hon. member for Lethbridge, upon certain things. Let me say to the hon. member for Edmonton-Strathcona that the government does have something to do with this. As was pointed out by the hon. member for Lethbridge, an adverse tariff is one of the reasons why the maritime provinces have lost their industries. That is something over which federal governments, not provincial governments, have had complete control since confederation.

[Mr. Brooks.]

The hon. member referred also to adverse freight rates. The federal government has complete control of freight rates. The hon. member for Digby-Annapolis-Kings referred to the lack of control over credit, which is a matter under the control of the federal government. There is another item which could be added to the list mentioned by the hon. member for Lethbridge. This did not apply in days past, but it has applied for the last 20 years. I refer to the lack of cheap electrical power in those provinces.

I should like to quote the remarks made by a former premier of the province of New Brunswick, Hon. J. B. McNair, who is today the chief justice of our province, during the dominion-provincial plenary conference of 1945. Referring to the situation in his own province he had this to say:

> Let it be remembered again that the control of all matters national in their scope and which affect most vitally the social and economic well-being of the people in the provinces is now vested in the central government. I have already mentioned the main items. The chronic unbalance in the Canadian economy with the heavy concentration of industrial, commercial and financial power in certain favoured areas, is due to the play of forces under the control of the dominion parliament and government since confederation. That situation is capable of being remedied, and only remedied, through national policy.

That was the opinion of the premier of New Brunswick, a very able man, as expressed in 1945, and it is the opinion of the people of New Brunswick today and has been the opinion of the people of the maritime provinces since confederation. As I said before, that opinion has been expressed repeatedly to governments in this country, but today the situation is no better, in fact it is even worse than it was 25 or 30 years ago.

During the second world war billions of dollars were spent, but only one-half of one per cent was spent for the development of industry in New Brunswick. As the hon. member for Digby-Annapolis-Kings said, we were there down by the sea with the great ports of Halifax and Saint John, with people willing and ready to work, yet industry was concentrated in the central part of Canada and the products had to be carried over railroads which were frightfully congested during that period in order to reach those ports. No effort was made at all to create war industry in the maritime provinces.

Then there were the after-effects of the war. During a debate in this house at the beginning of the war I suggested that we should have more manufacturing in the maritime provinces of the requirements of war. The then minister of fisheries, Hon. Mr.

Michaud, said, "We do not want to manufacture too much in New Brunswick; the result will be that we will have a lot of empty factories in the maritime provinces after the war is over."

There were a lot of empty factories after the war was over. Where were they? They were in Quebec and Ontario. They were sold to commercial concerns at fire-sale prices, and today they are going concerns employing tens of thousands of people. If we had had some industry in the maritime provinces in those days, I believe today we would have industries flourishing in that part of the country. That was one way in which this federal government at that time could have helped the people of the maritimes.

I do not wish to take up a great deal of time, as most of the points have been covered. But this question of decentralization is not new in Canada, and it is not new in other countries of the world. The hon. member for Lethbridge mentioned the fact that they have decentralized war industries in other countries. They have not only decentralized their defence production industdustries, but they have decentralized other industries. In Paisley, in Scotland, they are establishing atomic energy reactors, so that part of the British Isles may be productive as far as industry is concerned.

I remember that some years ago the British government said that Durham was in a depressed area, and that it would start some industries there in order to make it as economically sound as other parts of Great Britain. The same thing was done in Wales. In southern United States years ago were producers of cotton, which they sent to the northern part of that country. As producers of the cotton for the north they were simply hewers of wood and drawers of water, but that situation was changed. The federal government and the Tennessee valley authority realized that those people would become great industrialists if they had cheap power in that part of the country. Cheap power was given them, and today the southern states have become greatly industrialized and they are not the poor section of the United States.

From 1919 to 1939 the New England states lost 40 per cent of their industries and 25 per cent of their working population. The people of those New England states said that something must be done, and in 1939 an effort was made to get more industry for the New England states. The great textile factories were bought up and used for other purposes, with the assistance of the federal government at Washington. Today there is a great improvement in the situation in that part of the country, owing to government policies. I have here an article in the Christian Science *Monitor* of January 16, 1956, which says:

> Today, New England industries are producing an amazing array of products used in nuclear installations and equipment throughout the country.

They are doing that through the atomic energy commission. It also says:

> Similar defence department contracts have served to spur New England's leading industry: aviation.

It goes on to say that today, with the impact the government has given to that part of the United States, industry is in better condition there than it was many years ago. The *Christian Science Monitor* also speaks of decentralization in the matter of defence production, in an article dated December 28, 1955:

> Production Shift Set
>
> . . . air force secretary Donald A. Quarles laid down the policy Dec. 28, approved by the defence department, reversing the old idea of building up war industries after the start of hostilities.

The main paragraph, which I shall call to the attention of the house, reads as follows:

> Mr. Quarles stressed the need for dispersal of war industry but emphasized that vulnerability was the key consideration and that dispersal is one factor in reducing vulnerability.

That is a statement by a very able man, and it is a statement that should well be taken into serious consideration by the government in this Dominion of Canada. A good look should be taken over this dominion, and industries should be given to the parts of the country I have mentioned.

Mr. Speaker, you may ask us how you could help the province of New Brunswick. The hon. member for Digby-Annapolis-Kings very aptly told us different ways in which the government could help. I and other members from New Brunswick have on many occasions here in the past few years told how our province could be helped without any cost to this dominion. What we need to encourage industries and to bring industries to the east is cheap power. I was surprised to hear the hon. member for Cape Breton South say they had as much power as they needed in Nova Scotia. I rather question that, because I read not so long ago that Nova Scotia could have had a $10 million pulp and paper mill in the southern part of that province if it could have had cheap power with which to operate.

Mr. Gillis: That is only propaganda.

Mr. Brooks: I do not know; it was published by the merchants' association in the maritime provinces. I think we can find power, but we must have cheap power to encourage

industries to come. Our provincial government of New Brunswick, under our present premier, is making every effort toward this objective, the production of cheap power. All that he asks of the federal government is, not to lend the province one cent but to back the bonds of the province of New Brunswick in order that we might get money at 2½ or 3 per cent, whereas if we had to go out on the market we would have to pay 5 per cent. This would make the difference between cheap power and dear power.

Another way in which it can be done is, as I said a moment ago, by the Department of Defence Production giving us more defence production in those provinces. You can read those reports we get every two or three weeks. Except for dairy products, coal or something like that, which is an actual resource that we produce in our province, there is hardly one item that is manufactured. There are millions of dollars worth of goods from the central provinces and only this small dribble from the maritime provinces.

The hon. member for Cape Breton South and the hon. member for Digby-Annapolis-Kings spoke about the production of steel. As I have said, I was contradicted the other day and the hon. member has said it again today. I cannot see any great benefit to us in the development of the St. Lawrence seaway. We shall have to pay our share—pay our part of the shot, as they say—but we shall get no material benefit that I can see. But we could have benefited. In Labrador there is $6 million worth of iron ore. It is making Quebec—and I hope it will make the Atlantic provinces and Newfoundland—wealthy, but I shall venture to say that if this great deposit of iron ore had not been found in Labrador, the St. Lawrence seaway would not have been built for some years at least.

But what is happening to this ore? The railroad is built up to Knob Lake in order to carry this great wealth to the sea. What happens to it there? There is not much of it going to different parts of Canada to be smelted and fabricated. It is going to pass the door of New Brunswick and the door of Nova Scotia and go down to the United States. The great wealth of this country is taken away from our people in order to enrich the people to the south of us. As was suggested this afternoon, if a smelter were established in New Brunswick or in Nova Scotia, or if the Dosco smelters were extended, we would have there something that would bring wealth to our province and would help to balance the economy of this dominion. We have coal in Cape Breton.

[Mr. Brooks.]

To the Minister of Defence Production the other day, when he was saying that we might trade with Russia and that one of the things we would buy from Russia would be manganese, I could have pointed out that we in the province of New Brunswick have discovered a considerable amount of manganese. I understand that this is one of the chief minerals used in the hardening and development of steel. In the maritimes we have everything that is needed—lime, coal and iron—to develop a great steel production there. As I said a moment ago, not one dollar, except the money that is spent in digging the ore out of the ground, will go to Canadians. Most of it is going to be shipped to the Americans to the south of us. That is no way to build up our provinces by the sea. That is no way to build up this Dominion of Canada of ours.

Mr. Lennard: While you are at it, you might tell the Minister of Labour to pay a little bit more attention to you.

Mr. Brooks: I am not going to take up any more of the time of the house. The hon. member for Digby-Annapolis-Kings spoke about an organization that was formed. We are told to help ourselves. We have never tried to shirk helping ourselves. I cite the effort at Beechwood to develop power. Is that not a great step toward helping ourselves? We should like to get a little bit more help from others. This organization which was mentioned a few moments ago and which has been set up in the Atlantic provinces is called the Atlantic provinces economic council. It was formed for no other purpose than to help ourselves. I should like to read from one of their by-laws under the heading of "Membership":

1. The membership shall consist of persons from the Atlantic provinces representing such interests as agriculture, construction, fisheries, labour, mining, manufacturing, banking and investments, insurance, transportation, public utilities, wholesale and retail trade, universities, tourist business, professions and other lines of business prominent in the said provinces.

2. It shall be the privilege of any member or members of the council to withdraw therefrom at any time upon giving to the secretary thereof written notice of their intention so to do at least seven days prior to the date fixed for the annual meeting.

Then under the heading "Objects and Purposes" we find the following:

The objects and purposes of the Atlantic provinces economic council shall be:

I. To survey and study the advantages and difficulties, including alternate transportation, under which the population of the said Atlantic provinces is operating for the purpose of:

1. Discovering the forces which should make for economic growth and stability within the said provinces;

2. Making recommendations concerning methods calculated to ensure the economic future of the said provinces;

3. Promoting or opposing legislative and other measures affecting trade, commerce, manufacture and industrial development of the said provinces.

II. To stimulate:

(1) Concrete expression as to matters vital to the economic welfare of the Atlantic provinces among organizations participating in its membership;

(2) United action among the said provinces;

(3) The promotion of the Atlantic provinces' agriculture, commerce, fisheries, industry, public utilities, transportation and other matters of common concern.

In this connection I might say that this council which has been formed in the Atlantic provinces is based on similar councils which were formed in the New England states, and which were to a great extent responsible for the interest of the federal government and the obtaining of industries in that section of the country.

In closing I wish to repeat that there is a responsibility on the federal government. The matter of freight rates cannot be dealt with by the province of New Brunswick or by the people of New Brunswick. The matter of tariffs cannot be dealt with by them. The matter of using our raw material in this country and prohibiting it from going outside to be processed, fabricated and manufactured cannot be dealt with by the people of the small provinces. There is where the federal government can help and there, I say, is the responsibility which rests upon the federal government in this country.

Mr. S. R. Balcom (Halifax): Mr. Speaker, on Saturday I took time out to go down to the union station to give my personal welcome and my applause to the President of Italy. It was fortunate that I went down, inasmuch as it gave me an opportunity of seeing our Second Canadian Guards in action. I am full of praise for that body of men which was just recently organized. They are fine looking young men. The officers gave their orders clearly and well, and the men acted as though they were one. I therefore felt very proud of them.

You may ask, Mr. Speaker, what this has to do with decentralization. I should like to suggest that when these young men are fully trained the Minister of National Defence, in his wisdom, send at least one company of them to Nova Scotia. If I might do so, I see the hon. member for Digby-Annapolis-Kings in his seat and I would suggest that they be stationed in his riding at Aldershot.

Mr. Nowlan: Arrange it with the minister.

Mr. Balcom: In speaking on this resolution I am sure that I will be expressing, in greater or less degree, the views of every member of this house. I suspect, however, that there are many different ideas on what decentralization means. A town a hundred miles from Toronto or Montreal compares its relative position with that of one or other of these great cities, and a sigh is emitted, touched perhaps, as was said this afternoon, by envy. In Nova Scotia or in the far west we must sigh much more loudly in order that the sound may carry the necessary distance to Ottawa, or what should be more important, to the point of the concentration of private enterprise industry in the upper provinces. That perhaps accounts for the superior lung power of those from the provinces more distant from the centres of larger population.

I am concerned mainly with decentralization of industry that will encourage a more equitable distribution of population and development right across Canada. In our private enterprise economy the government cannot instruct or direct industry to locate in any particular spot. The choice of a location for a plant involving the expenditure of any substantial amount of money is usually made after careful consideration of all the factors that will affect the cost of doing business. That is good, sound logic. A firm weighs the risks and then takes the plunge. Except in a few rare instances, competition is such that it must scratch pretty hard to make things go; at least that applies in the maritimes. Most Canadians feel that the responsibility for such decisions should rest with the firms, and that in the long run this will bring the greatest good, in a material sense, to the greatest number.

The government does not direct industrial location, nor can it by legislation endow an area with resources, eliminate distances by act of parliament or remove the tariffs and other obstacles to trade put up by other countries. What then can it do to encourage a more equitable development across Canada? When confederation took place the greatest single problem confronting the individual provinces was the cost of providing adequate transportation facilities. This is still the most important single factor affecting the development of Nova Scotia's economy today. Distance from the central Canadian markets on the one hand and tariff barriers in our export markets on the other have us in a very tight squeeze.

For this reason I urge upon the government the need to maintain and extend its efforts to reduce trade barriers. If we are to sell fish, lumber, wheat, base metals, we must accept goods in return. We cannot have our cake and eat it. Our people demand a high

standard of living, so we must develop our natural resources and trade them in the world market if we are to provide that standard.

The government has more direct control over transportation costs as they affect the outlying provinces. Speaking as a Nova Scotian I have said before in this house, and I urge again, it is time we took another look at the Maritime Freight Rates Act. There is no need for me to go into the history of this legislation and its application. It is sufficient to refer to the relative position of the steel industry in Nova Scotia compared with its competitors in Ontario. In public statements the president of Dosco has said that since the war the freight rate on steel bars to the main industrial market in Canada has practically doubled, while for one of its competitors the increase was less than 10 per cent and for the other roughly 60 per cent in the same period.

This is only one example, but it is enough to show that unless some action is taken the relative position of the Atlantic provinces will deteriorate rather than improve with the growth of Canada. Many factors have contributed to this; the growth of highway transport to the more populous areas, horizontal rate increases, and so on. While the freight picture is worsening, other more encouraging things have happened. Progress has been made on the trans-Canada highway; air travel facilities have been steadily improved; the national harbours have been greatly developed. All in all, our transportation facilities have come a long way.

The most important single development in this field in recent years has been the St. Lawrence seaway. Some years ago, in 1950 to be exact, when this project was still in the planning stage, I asked what study the government had given to the economic effects of this undertaking. In particular I was concerned that due attention should be given to the possible ill effects the seaway might have on certain maritime industries. I should like to be assured that some responsible federal agency has been given the responsibility for continuous study of this matter. This aspect of the project should be regarded as a national responsibility, and it should not be just left to the provinces to point out the difficulties. If as much effort were put into this as is going into research on how to keep the St. Lawrence river open the year round, we would be very happy.

The government is to be commended for the work it has initiated in the provision of research facilities. The national research council in Ottawa and its maritime regional laboratory in Halifax are an imaginative effort for regional service. The provision of vocational and trade training in conjunction with the provinces has been important to industry in Nova Scotia. This is true of the fisheries as well as manufacturing generally, and the construction industry. Perhaps most important of all is the possibility of developments in atomic energy which will be available to all parts of Canada, irrespective of location. This is a field in which federal development should pay off for all provinces in equal measure.

We are, of course, interested in obtaining defence industry, but in particular we are interested in privately owned industry. Defence industry may be a temporary matter. You build up a locality with defence factories, then the pressure is off and they close leaving many people unemployed. We are interested in holding what we have. As so many speakers have said tonight, since confederation we have lost many industries. In particular, Halifax has lost several. There was a time in 1867 when we had many English distributing houses. They have all gone and are now found either in Montreal or Toronto. We had several cigar factories. They are all to be found today submerged in some upper Canadian plant. We had a broom factory, and we had shoe factories. In time they were sold to those industries in Upper Canada. Recently we have all received letters from the boot and shoe industry, particularly the rubber footwear industry, concerning importations from Hong Kong and what they are doing to the industry here. It was just that sort of thing that happened in Nova Scotia over the years.

Then at the time of the Halifax explosion there was a cotton factory which was blown up. What did they do with the money they were paid as compensation? Did they put it into another factory at Halifax? No; that also went to Montreal. Then on the east side of Halifax harbour, in Dartmouth, there was a very fine industry which closed.

May I call it ten o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow and Wednesday we shall take the resolution to set up the committee on railways and shipping owned and operated by the government; then the resolution to set up the federal district committee;

then the one with respect to the Criminal Code, followed then by the resolution in my name with respect to the Industrial Development Bank Act, and then second reading of the Small Loans Act. I should add that the latter two bills will be going to the banking and commerce committee after second reading.

Mr. Green: What about the committee on research and atomic energy?

Mr. Harris: We will come to that, I hope, later.

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:

BOX CARS

Question No. 53—**Mr. Johnson (Kindersley):**

1. How many box cars belonging to (a) the Canadian National Railways; (b) the Canadian Pacific Railway, were in the United States on (i) July 31, 1955; (ii) August 31, 1955; (iii) September 30, 1955; (iv) October 31, 1955; (v) November 30, 1955; (vi) December 31, 1955?

2. How many box cars belonging to United States railways were in Canada on the above dates?

Answer by: **Mr. Marler:**

The following figures have been supplied by the transport controller.

1. C.N.R. cars on U.S. lines

	Total	Box cars	Others
July 31, 1955 ..	16,360	14,332	2,028
Aug. 31, 1955 ..	15,846	13,719	2,127
Sept. 30, 1955 .	15,227	13,011	2,216
Oct. 31, 1955 ..	16,346	14,169	2,177
Nov. 30, 1955 ..	15,638	13,489	2,149
Dec. 31, 1955 ..	13,499	12,334	1,165

C.P.R. cars on U.S. lines

	Total	Box cars	Others
July 31, 1955 ..	12,182	11,001	1,181
Aug. 31, 1955 ..	12,240	11,133	1,107
Sept. 30, 1955 .	12,119	10,968	1,151
Oct. 31, 1955 ..	13,540	12,168	1,372
Nov. 30, 1955 ..	12,920	11,338	1,582
Dec. 31, 1955 ..	12,235	10,753	1,782

2. U.S. cars on C.N.R. lines

	Total	Box cars	Others
July 31, 1955 ..	14,760	6,969	7,791
Aug. 31, 1955 ..	15,658	7,559	8,099
Sept. 30, 1955 ..	16,844	7,862	8,982
Oct. 31, 1955 ...	17,635	8,202	9,433
Nov. 30, 1955 ..	16,953	8,363	8,590
Dec. 31, 1955 ..	17,553	8,438	9,115

U.S. cars on C.P.R. lines

	Total	Box cars	Others
July 31, 1955 ..	6,936	4,218	2,718
Aug. 31, 1955 ..	7,898	4,724	3,174
Sept. 30, 1955 ..	8,424	4,774	3,650
Oct. 31, 1955 ...	7,869	4,483	3,386
Nov. 30, 1955 ..	8,000	5,277	2,723
Dec. 31, 1955 ..	8,475	5,101	3,374

C.N.R. SERVICE—MONCTON-SHEDIAC, N.B.

Question No. 98—**Mr. Murphy (Westmorland):**

1. What was the agreement for service from Moncton to Shediac, New Brunswick, at the time the Canadian National Railways took over the company then operating train service from Moncton, New Brunswick and Shediac, New Brunswick?

2. What service is now provided by the Canadian National Railways for the Moncton to Shediac, New Brunswick, rail run?

3. Is any immediate curtailment of this service planned?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1. An examination of old records has been made and there does not appear to be any such agreement on file.

2. Train No. 77, operating daily except Sunday, leaves Shediac at 7.00 a.m. and arrives Moncton at 7.45 a.m. Train No. 78 operating daily except Sunday, leaves Moncton 5.25 p.m. and arrives Shediac 6.14 p.m. Freight service between Moncton and Shediac (Point du Chene) is operated as required.

3. No.

C.N.R. RAILWAY CAR PURCHASES

Question No. 135—**Mr. Argue:**

What are the numbers, types and prices of railway cars, if any, purchased by Canadian National Railways during (a) 1954; (b) 1955, from (i) Canadian Car and Foundry; (ii) National Steel Car Company?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:—

(a) (i) Canadian Car and Foundry Company, Ltd.—1200, 50-ton box cars; 100, 30-ton flat cars; 120, 50-ton Hart convertible; 218, first class coaches.

(ii) National Steel Car Corporation, Ltd.—1400, 50-ton box cars; 210, 70-ton hoppers; 600, 75-ton ore cars; 30, baggage cars.

(b) (i) Canadian Car and Foundry Company, Ltd.—110, 70-ton flat cars; 6, passenger equipment.

(ii) National Steel Car Corporation, Ltd.—200, 50-ton refrigerator cars; 20, baggage cars.

It is not the practice of the management to disclose the unit price of railway equipment.

FEDERAL ANTI-FLOOD PROJECTS, SASKATCHEWAN

Question No. 165—**Mr. McCullough (Moose Mountain):**

1. How many projects to combat flooding have been undertaken by the federal government in the province of Saskatchewan under the (a) Prairie Farm Rehabilitation Act, during 1954 and/or 1955; (b) Canada Water Conservation Assistance Act, during 1954 and/or 1955?

2. What was the cost to the federal treasury in each case?

Answer by: **Mr. Pinard:**

1. (a) None. (b) None; no request has been received from the provincial government of Saskatchewan for assistance under the Canada Water Conservation Assistance Act.

2. Answered by No. 1. Note: Some are helpful controlling floods but such benefit is incidental to the main purposes of the Prairie Farm Rehabilitation Act.

MAIL BAG REPAIR—B.C. PENITENTIARY

Question No. 194—**Mr. Hahn:**

1. Are mail bags in need of repair mended at the British Columbia penitentiary?
2. If so, how many were mended during each of the months January to December, in 1955?
3. Is transportation to and from the penitentiary being done under contract?
4. If so, what are the terms of said contract?
5. If not, what means of transport is employed in carrying them from point of origin to ultimate destination?

Answer by: **Mr. Lapointe:**

1. Yes.

2. January, 5,428; February, 5,862; March, 7,469; April, 5,606; May, 4,545; June, 4,428; July, 4,273; August, 2,740; September, 3,684; October, 2,714; November, 4,955; December, 5,969.

3. Yes.

4. (a) Repairs to all classes of bags—a flat rate of 30 cents per bag—effective April 1, 1952.

(b) All materials required for repair to be furnished by Post Office Department. These materials are to be stored by the penitentiary without additional cost to the Post Office Department.

(c) Penitentiary to maintain records of materials used as required by Post Office Department.

(d) Cartage at pack up point to be at penitentiary expense.

(e) Storage of completed bags to be provided without additional cost pending instructions to ship.

(f) Building, machinery and tools to be provided by penitentiary.

(g) Penitentiary to be responsible for counting bags on receipt and inspection on completion before shipment.

(h) All equipment and materials for disinfecting bags is to be supplied by the penitentiary.

5. See answer to No. 4.

CIVIC CENTRE, BANFF, ALBERTA

Question No. 198—**Mr. Johnston (Bow River):**

1. Has there been a meeting during the past three months between the park superintendent and citizens of Banff respecting the erection of a civic centre in Banff?
2. If so, who called the meeting and who were present at such meeting?

Answer by: **Mr. Lesage:**

1. Yes.

2. A meeting was called by the park superintendent and was attended by representatives of the Banff advisory council, the Banff chamber of commerce, and by the executive secretary of the chamber of commerce for Alberta. The names of those present were as follows:

Messrs. T. Brown, E. Burnham, C. Philpott, J. MacAulay, Rev. Gordon Peddie, Hubert Green, R. E. Johnson, R. Bryant, J. D. Anderson, Claude B. Brewster, Norman Tabuteau, W. Clark, D. Griffin, Miss M. Kier, Park Superintendent B. I. M. Strong and Assistant Park Superintendent T. W. Pierce.

NATIONAL GALLERY PAINTINGS

Question No. 201—**Mr. Diefenbaker:**

How much has been expended by the government of Canada, since January 1, 1945, in the acquisition for the national gallery of paintings by (a) Canadian artists; (b) non-Canadian artists?

Answer by: **Mr. Pickersgill:**

(a) $88,777; (b) $1,495,193.

POST OFFICE STATISTICS, MONTREAL AND TORONTO

Question No. 205—**Mr. Hamilton (Notre Dame de Grace):**

1. For each of the cities of Montreal and Toronto, how many staff and semi-staff post offices are in operation?
2. For each such post office, (a) what civil service grade was held by the postmaster on December 31, 1955; (b) what was the revenue for the last fiscal year; (c) how many permanent employees were on the staff at December 31, 1955?

Answer by: **Mr. Lapointe:**

1. One staff office. No semi-staff offices.

2. (a) Postmaster, grade 18; (b) Montreal, $20,397,612.99; Toronto, $29,866,145.20; (c) Montreal, 2122; Toronto, 2074.

LETTER CARRIER PERSONNEL

Question No. 218—**Mr. McBain:**

How many letter carriers and letter carrier supervisors were employed in the postal service on January 1, 1956?

Answer by: **Mr. Lapointe:**

4667 letter carriers.
1566 letter carrier supervisors.

STILBESTROL

Question No. 220—**Mr. Huffman:**

Does the Department of National Health and Welfare object to the addition of a limited quantity of stilbestrol to cattle feed?

Answer by: **Mr. Martin:**

The food and drug directorate of the Department of National Health and Welfare have considered the effects, from the standpoint of public health and fraud, of the use of stilbestrol in cattle feed. Considerable work has been done by the manufacturers, agricultural people, and members of the

Department of National Health and Welfare to determine whether any residues of stilbestrol remain in the flesh of animals fed on stilbestrol-containing diets.

Evidence shows that if the amount of stilbestrol is limited no stilbestrol can be detected in the meat and the composition of the meat is not significantly changed. The Department of National Health and Welfare would have no objection to the use of cattle fed under conditions that do not result in residues of stilbestrol in the meat and that do not produce undesirable changes in the meat.

The Department of Agriculture are taking steps to ensure that the use of stilbestrol in cattle feed under the Feeding Stuffs Act will be restricted to those conditions mentioned above, that only limited known quantities of stilbestrol will be added to certain cattle feeds, that mixing of the feeds will be adequate, and that proper instructions for the use of such feeds will be issued.

APPENDIX

ADDRESS
of
HIS EXCELLENCY GIOVANNI GRONCHI
President of the Republic of Italy
to
MEMBERS OF THE SENATE AND THE HOUSE OF COMMONS
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Monday, March 5, 1956, at 2.30 p.m.

His Excellency Giovanni Gronchi was introduced by Mr. St. Laurent.

Hon. L. René Beaudoin, Speaker of the House of Commons, presided.

(Translation):

Right Hon. L. S. St. Laurent (Prime Minister of Canada): Mr. President, on behalf of the members of our parliament and of the whole Canadian nation, I have the honour to welcome you most cordially in this house and to express to you personally and to the country which you represent our regards and our feelings of respectful and confident friendship.

We are glad to extend also our most cordial welcome to Mrs. Gronchi, whose presence adds to the charm of your visit. May this visit, short as it is, be as pleasant to you as useful to the good relations between our two countries.

(Text):

Mr. President, in welcoming you today to this chamber, we wish to express our pleasure at this symbolic evidence of the renewal and of the strengthening of the bonds of friendship and of understanding between our two peoples which have grown steadily and surely over these last ten years.

In presenting you to this joint meeting of the members of the Canadian parliament, I am introducing to my colleagues and friends a staunch Italian patriot and a European statesman who for close to fifty years has worked consistently and courageously for three great objectives—freedom, parliamentary democracy and a society based on Christian principles. As a very young man, when he took an important part in the activities of the new Christian Democratic movement, and in the first world war and afterwards, he served those objectives and his nation with outstanding devotion.

During the difficult years of the second world war, President Gronchi, working with the resistance, became one of the leaders for the strengthening of freedom in Italy, and later, in company with the late Alcide de Gasperi, he served on the central committee of the national liberation front. No newcomer to parliamentary life, he was minister for industry, commerce and labour in postwar Italian governments, and he was Speaker of the Chamber of Deputies for almost seven years before his election as president of the republic in April of last year.

(Translation):

In greeting Mr. Gronchi we pay tribute to the representative of a country from which has come to us so much of what makes up the richness of our western civilization. We greet also in his person an able and ardent defender of the unity of the western nations. We admire the part he has played in bringing about Italy's decision to participate in the North Atlantic Treaty Organization and the Western European Union.

We derive a great deal of satisfaction from our association with Italy in the North Atlantic Treaty Organization, and, within the last few weeks, in the United Nations, this vast organization which remains the basis of the hopes and peaceful aspirations of so many millions of men and women throughout the world.

We Canadians are convinced that the accession of Italy to the rank of member of the United Nations marks a step toward better understanding between nations, more encouraging prospects of a peaceful solution of differences and consequently toward a reduction of the hazards confronting the peoples of the earth.

It is therefore with great pleasure, Mr. President, that we welcome you on behalf

of the parliament of Canada and that we acknowledge on this occasion the return of your country to the place which is rightly hers in the councils of the nations.

(Text):

I now invite the President of the Republic of Italy to address us.

His Excellency Giovanni Gronchi (President of the Republic of Italy): Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, and members of the Senate and of the House of Commons, Mr. Prime Minister:

(Translation):

I must, first of all, thank you for your invitation, which, beyond the scope of mere formality, has brought me to this honoured parliamentary rostrum. I am particularly sensitive of this honour because, as many of you certainly know, I was for eight years Speaker of the Chamber of Deputies. I need not add that when I can speak directly to freely elected representatives of popular will, I find myself on familiar ground in spontaneous and common agreement on the method of approach to various problems; all the more so in your parliament which, by tradition and habit, can really be said to be one of the most noble expressions and at the same time one of the strongest bulwarks of democratic freedom.

I also consider it a fortunate privilege for me to speak on this occasion as first magistrate of my country; in this way, for the first time in history the voice of Italy, through this assembly, can make itself heard by the people of Canada. I would like to take advantage of this singular privilege to bring you a warm greeting from the Italian nation, whom I have the honour to represent in its national unity.

It is the greeting of a friendly and allied people for whom all physical distances that separate them from you seem to disappear in the atmosphere of common ideals and harmony of interests between our two countries.

These ideals and interests, which have their deep roots in the same heritage of civilization and tradition and democratic way of life, find their ultimate expression in the manifestations of present-day relations between Italy and Canada.

The most important of these manifestations is represented by a continuing solidarity of effort which the two countries carry on, ideologically and materially, within the framework of the Atlantic community.

This solidarity is perhaps the closest existing among members of the pact which unites so many countries of the west, from Europe to this continent, because the interpretation which Italy and Canada give to the general principles of NATO does not reduce its significance to a mere diplomatic instrument or to an exclusively military alliance, but extends it, in full agreement, to all other requirements suggested by the new course of international events.

Such an interpretation does not require statutory or other innovations, since already in the original context of the treaty it was not by chance that article 2—which today is so often referred to—was inserted, largely through Canadian prompting, wherein it is said that:

> 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.

As a logical consequence the treaty between free peoples must be rendered always more capable of expressing not only the language of force, but also that of truth and of right. As your Secretary of State for External Affairs said, in a speech that should not be forgotten, a military alliance, by achieving balance of power, is not sufficient to establish permanent peace, but can only create the conditions under which this peace can be maintained and protected by an accepted equality of rights.

In fact, the solidarity between our two countries does not end in military and in material assistance; it is manifested and strengthened daily in numerous other fields such as politics, diplomacy, economy, cultural and social life. I would like to recall that in this city, in September of 1951, in one of the rooms of this very building, Italian and Canadian representatives found themselves in firm agreement on the desirability that relations between Atlantic pact countries should depend not only on their alliance, but rather on their membership in a real community and that all member countries should be expected to give this reality the utmost consideration.

Since that time the Italian and Canadian governments, striving side by side in a common endeavour, have been in the forefront in

upholding this necessity. The traditional universalism of Italian history and thought, and the ideological and political forces which have created from two different peoples and two histories the powerful unity of your country, have found common expression and a happy communion.

It is our conviction that the era in which we live demands solidarity among peoples, because one nation cannot live and cannot develop independently of other nations or without continuous and reciprocal exchange in which each gives and receives according to its capacities and its needs. The evils from which our era suffers derive from the fact that not all men have completely understood the essence of this truth. Human solidarity, that has achieved such extraordinary progress in the field of individual society, has not succeeded as yet in achieving universal and international solidarity.

On their part the democratic countries of the west have long since recognized that the way of international solidarity is the only path to follow in order to safeguard liberty and, with liberty, the possibility of civil and social progress for all peoples. The Atlantic treaty has, from this point of view, something that is unique: never before has such an imposing array of nations, so diversified in their resources yet so uniform in their ideals, merged their energies not to fight and win a war but to ensure the victory of peace over war.

And it is by virtue and in the implementation of this agreement that western democracies have now trodden paths which our fathers not too long ago would have considered hopeless illusions. But what has been done up to now is not sufficient. It is necessary that all nations—our own above all others—understand this reality: that with solidarity there can be universal progress and welfare—without it there can be nothing but the prospect of destruction and misery.

My country is firmly resolved to continue to give its utmost to the efforts being made toward the strengthening of solidarity between democratic countries. We are convinced that they constitute the best contribution which can be made in the present circumstances for the maintenance of peace in the world, and that they represent the indispensable premise toward the establishment of a greater feeling of trust among all people.

In this spirit we were gratified at the recent decision which solved the deadlock on the question of new admissions to the United Nations, and which has, among other things, corrected the absurd exclusion of Italy from an organization for which she had all the necessary moral, juridical and political qualifications. That these qualifications are well founded, no evidence could be more eloquent than the proof of democratic maturity furnished a few days ago—thanks to the patient and broadminded exertions of Italian trusteeship authorities—by Somali populations who, in conformity with the United Nations charter, have been able to establish in free and orderly manner their first representative institutions to which the basic responsibility of that country's future is now entrusted.

The Italian people, besides recognizing in the decision to admit new members to the UNO a valuable step forward on the road to greater international solidarity, find an open door through which their voice can be heard in an important forum, along with those of friendly and allied countries, to serve the interests of security, peace, international justice and progress, interests upon which the political action of my country and government is founded.

In this regard I cannot forget how much this favourable development, to which we owe the removal of the unfair discrimination to which Italy was subjected, is also due to the consistent action of the Canadian government, who took the initiative and to whom I wish to express our most heartfelt thanks.

In this brief visit I have been deeply, even physically, impressed by the extraordinary vitality and potential energy with which your country is endowed. Canada has rapidly succeeded, through her will and effort, in achieving an international position of preeminence and responsibility, especially in that great and prosperous community of nations of which she is an integral and essential part.

But what has impressed me most deeply and strengthened my trust in the possibility of an ever-growing co-operation between Canada and Italy is the further evidence I have gathered from contacts with responsible Canadians in regard to their accuracy of judgment, their foresight and their firm attitudes. Furthermore, I was not surprised to find such a keen interest in European affairs in a country whose history, position and characteristics make it the natural bridge between the old world and the new.

I have taken advantage of these contacts to illustrate to leading Canadians some aspects of the Italian situation, in the same spirit with which two old friends, meeting after a long absence, compare their ideas and inform each other of their problems. In particular, I have told them—and I wish to repeat it again here—that my country, after the extraordinary effort of reconstruction, is now engaged in a work of renewal and development without precedent in its recent history.

To accomplish this work, which is being carried out in a regime of true liberty and democracy, Italians must be able to rely upon two indispensable conditions: maintenance of peace in the world and the solidarity of friendly and allied countries.

It is my opinion and also that of my government that the new course of international events make it advisable that the next session of the Atlantic council, already planned for May 4, should have the extent and implications of a conference where an objective and therefore realistic examination should be made of all those political, economic, social and psychological requirements to which I have already referred.

Another opinion of my government and of myself is that unification of the western viewpoint is the indispensable premise for any action—in our opinion necessary—in order to confer upon joint policies a dynamic and flexible character to counteract the forces which have lately given proof of possessing such flexibility.

On the other hand, without a united directive, every bilateral contact of single western countries with the Soviet bloc would not be conducive to useful and above all conclusive results, and would risk repeating the unwise tactics of ancient history, when Rome lost the Curiatii in the struggle against the opposing faction of the Horatii.

But it is evidently in the general interest of western solidarity that preventive consultations, which up to now have had an extraordinary character, should become the ordinary and permanent method of approaching problems of defence and peace. These problems are indivisible and it would be artificial and prejudicial not to recognize their interdependence and to believe that stable and conclusive solutions are possible for them without having been rationally co-ordinated. I have noted with pleasure that on this side of the Atlantic there is now general agreement on the need to associate all members of the Atlantic community in the responsibility of proposing and elaborating solutions for the major problems of our time, and in the effort to achieve in harmony the realization of such solutions.

I may therefore conclude without dangerous and undue optimism that at the end of this journey, after my visit to these two great countries of North America, I will be justified in bringing with me to Italy the reconfirmed and increased certitude that Italians are not alone in their efforts for a better future, for liberty and peace in the world and prosperity for our peoples.

(Text):

The kindness shown me during my stay here and the reception that you, honourable sirs, have extended to me today, enable me to bring back to the Italian people your message of friendship and encouragement.

(Translation):

I would like to consider as evidence of this friendship those Italians to whom you open your doors and who give to your cities and land their contribution of loyal and industrious activity.

May God guide and maintain our two peoples united on the road to progress and peace.

(Text):

Hon. Wishart McL. Robertson (Speaker of the Senate): May I, Mr. President, thank you on behalf of the Senate of Canada for coming to speak to us, and for the inspiring address you have just delivered.

Not only have many of our most respected citizens or their forebears come from your beautiful land, but your country and ours have, through the North Atlantic pact, solemnly bound themselves together for weal or woe. Your eloquent appeals here and elsewhere for the bringing of life into the spirit of article 2 of the North Atlantic treaty strike a responsive chord. Two years ago in Bonn, Germany, our Prime Minister, reflecting all shades of political thought in this happy land, made a similar appeal; his judgment and yours has been amply justified by the swift rush of current events. For the common good of free men everywhere, it is the earnest hope that your appeals will not fall on deaf ears.

May we ask you, Mr. President, on your return to convey our greetings to the members of the Italian parliament. Some of us had the very great pleasure last summer of meeting with representatives of your parliament, who were inspired with your viewpoint. We hope for a renewal of the opportunity.

We wish you well in your undertakings. May divine Providence bless your endeavours.

(Translation):

Hon. L. René Beaudoin (Speaker of the House of Commons): Mr. President, it is with the keenest pleasure that I welcome you to the parliament of Canada and that I thank you, on behalf of the members of the House of Commons, for the magnificent speech you just made.

We have had in the past the great honour of receiving here in this house many remarkable statesmen coming from neighbouring and

far-away countries, in particular from the commonwealth and the republic south of our border. We are happy and honoured to be able today to add your name to this memorable list of friends of our country.

Besides, we have known you well since long before your arrival in our midst. The hundred voices of renown had revealed to us the great political force you represent in your country.

Though born in Pontedera, near Pisa, it was possible to say of you "He is a Roman", that is to say, a man of thorough austerity, firmness, courage and patriotism.

Your beautiful country is assured of our friendship. Here in Canada part of the population is of Latin origin and therefore feels a strong attachment to Italy. Moreover, no one can forget the contribution made by your country through the centuries and again today to culture, that is to art, literature and music. Let us remember also, in this strenuous international situation which the nations of the world are facing today, that no law has endured so long as the Roman law nor exerted a more decisive influence on modern law.

(Translated from Italian):

In conclusion, I wish to say how glad we have been to welcome the charming Mrs. Gronchi, as well as the Minister of Foreign Affairs, Mr. Gaetano Martino, and his wife. It is our hope that you have all enjoyed your stay in Canada and we wish you a safe and happy return voyage.

HOUSE OF COMMONS

Tuesday, March 6, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. KNOWLES—REFERENCE TO REMARKS OF PREMIER OF MANITOBA

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. I hold in my hand a copy of the Winnipeg *Free Press* of last Wednesday afternoon, February 29. On page 5 I find the report of a speech made in the provincial legislature by Premier Campbell of my province, from which I should like to read just two sentences. My point of privilege is that they reflect on this house and on an important section of the staff of this house. The first sentence reads:

> Premier D. L. Campbell Tuesday objected to a proposal to have a provincial *Hansard* (a written record of legislative debate) on the grounds that abuses would result.

The next sentence is in quotation marks, and it is attributed to Premier Campbell.

> "It is not understood the extent to which the Ottawa *Hansard* is doctored."

Apart from the fact that my friend the hon. member for Lanark (Mr. Blair), the Minister of National Revenue (Mr. McCann), and others will not like the use of the word "doctored", I submit, Mr. Speaker, that all members know that any attempt to alter the meaning of anything said in this house is promptly frustrated, thanks in part at any rate to press publicity given to such efforts. The fact is that our *Hansard* staff produces a faithful record of what is said here and on their behalf, and as a member of the house, I object to Premier Campbell's words.

I have never heard Premier Campbell complaining of the record of the speeches he makes here in Ottawa when he attends federal-provincial conferences. Since it is our staff which records his speeches on those occasions, he should have known better than to make this unfounded charge.

Hon. W. E. Harris (Minister of Finance): On the question of privilege that has been raised by the hon. member, I am sure he will realize that it might not be possible to reproduce in a newspaper the precise intonation and ideas that might be expressed by any speaker. I have not the slightest doubt that the premier did not intend to reflect on anyone in Ottawa, including the staff of this house. I fancy, however, he was probably just making a remark to indicate what we all admit here, namely that *Hansard* does improve our English on occasion, and on occasion we try to improve it ourselves.

Mr. Fleming: Mr. Speaker, on this point, on what authority does the Minister of Finance assume to reinterpret what appear to be the plain words of the premier of Manitoba?

Mr. Knowles: And they are words within quotation marks.

BANKING AND COMMERCE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. John Hunter (Parkdale) presented the first report of the standing committee on banking and commerce, and moved that the report be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS

NATO—REPORTED EXTENSION OF ECONOMIC AND CULTURAL PROVISIONS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of his reported acceptance of the need of something being done to effectively implement article 2 of the NATO agreement as was reported in the press yesterday following President Gronchi's speech to this house, would the minister say what he has in mind to achieve an extension of the economic and cultural provisions of article 2 and to thereby assure closer collaboration among the NATO nations?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, something has already been done, of course, to carry out the provisions of article 2 of the North Atlantic treaty, which deals with political as well as economic and cultural co-operation. I hope that at the next meeting of the North Atlantic treaty council we will consider what more can be done in this respect. I do not think at this moment I could properly enter into the details of what might be done.

Inquiries of the Ministry

Mr. Diefenbaker: Mr. Speaker, I should like to ask a supplementary question. What is the nature of the representations Canada intends to make at that meeting to that end?

Mr. Pearson: Mr. Speaker, that will be decided when we agree on an agenda and when the policy of the government in respect of the items of that agenda is determined.

MIDDLE EAST—REQUESTED REIMPOSITION OF PROHIBITION ON ARMS SHIPMENTS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Prime Minister. In view of the situation which has developed in the Middle East will the Prime Minister give consideration to re-imposing a prohibition upon the shipment of arms to that area?

Right Hon. L. S. St. Laurent (Prime Minister): I am under the impression that there are no arms going forward at this time. Applications for further permits are kept under consideration and that consideration will not be completed until the situation in the Middle East seems to ease.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask a supplementary question. Would the Prime Minister tell the house what applications have been received by the government for permits to export arms to that area?

Mr. St. Laurent (Quebec East): No, I think that all the information that could be conveyed to the house has been conveyed already. The hon. gentleman knows that there was an application in connection with 25-pounder shells to Israel and that is still being considered.

Mr. Fleming: Is that the only application under advisement at the present time?

Mr. St. Laurent (Quebec East): That is the only one I know of that is still under advisement at this time.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Supplementary to the questions asked earlier in regard to applications for permits to ship arms to the Middle East, would the Prime Minister say whether consideration of this matter is made at the cabinet level, and whether or not he is prepared to say what is the value of the arms being asked for now and being considered by the cabinet?

Right Hon. L. S. St. Laurent (Prime Minister): I could not say offhand what is the value of the ammunition now being asked for, but I can assure the hon. gentleman that the situation in the Middle East is such that everything that might affect it is being considered at cabinet level.

TRADE

WHEAT—REPORTED NEGOTIATIONS WITH CZECHOSLOVAKIA

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Could the minister say whether important negotiations are now being conducted with Czechoslovakia for the purpose of selling a substantial quantity of wheat, referred to in this morning's press as 300,000 tons?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I believe that negotiations are under way with a trade delegation from Czechoslovakia. I regard all trade negotiations as important, and I am sure that these are important.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—REPORTED ANNEXATION OF PART OF ST. REGIS RESERVE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Has the governor in council approved the annexation order made on February 22, 1956, by the Ontario municipal board annexing to the city of Cornwall, Cornwall island, which is part of the St. Regis Indian reserve?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, to the best of my knowledge this matter has not been drawn to the attention of the federal government in any official way. Like the hon. gentleman I have learned of it only through the newspapers.

Mr. Nesbitt: Mr. Speaker, I should like to ask a supplementary question. Does not the governor in council have to approve such annexation order under the terms of section 35 of the Indian Act?

Mr. Pickersgill: I would assume that is correct, but I always like to get legal advice on points of that sort.

Mr. Fulton: May I ask the minister if he has referred the matter to the legal advisers of his department and, if so, when he expects to be in position to advise the house further?

Mr. Pickersgill: Yes, I have referred the matter to the legal advisers of the department. I do not think any occasion will arise to bring the matter to the attention of either

the government or the house until some formal application is made to the government of Canada.

CANADIAN BROADCASTING CORPORATION

ALLEGED CRITICISM OF PUBLIC AFFAIRS TELEVISION BROADCAST

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I refer to the question which I asked the Minister of National Revenue on February 29, as reported at page 1664 of *Hansard*. Has the minister had any communication with the Canadian Broadcasting Corporation, either from them or to them, and if so to what effect?

Hon. J. J. McCann (Minister of National Revenue): I have not had a reply. There has been a communication addressed to the C.B.C.

POSTAL SERVICE

REPORTED STATEMENT AS TO INCREASE IN DELIVERIES

On the orders of the day:

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, on February 15 the hon. member for Notre Dame de Grace (Mr. Hamilton) directed a question to me with regard to the extension of postal service, which was based upon a report appearing in the *Northern News* of Kirkland Lake of February 3. That report indicated that an officer of the department had made a statement to the effect that postal services would be extended.

Since that time I have had occasion to discuss the matter with the officer of the department, and I have also read the text of the address he gave before the Lions Club of Kirkland Lake. I wish to state that at no time did he make a statement which could be construed as meaning what was stated in the report in that paper.

SUGGESTED USE OF SURPLUS TO EFFECT IMPROVEMENTS

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I should like to ask a question of the Postmaster General, supplementary to what he has already told the house. Does the Post Office Department not plan to use any of its more than $6 million surplus to extend and improve postal services for the Canadian public?

Hon. Hugues Lapointe (Postmaster General): The Postmaster General is always anxious to extend postal services throughout the country when circumstances permit.

SPORTS

OLYMPIC TRIALS—REQUEST FOR FINANCIAL ASSISTANCE

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on Friday last the hon. member for Hamilton West (Mrs. Fairclough) asked me if I had received from the committee in charge of the Canadian Olympic trials any application for financial assistance. I said at the time that I had no recollection of any recent application. I have had our records checked carefully, and I find no trace of any such application.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO COMPARATIVE COSTS OF GAS

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Kootenay East (Mr. Byrne) asked if I would care to comment upon newspaper reports over the week end that gas from western Canada to be distributed by Trans-Canada Pipe Lines Limited will cost 60 cents per thousand cubic feet to Sudbury consumers while Chicago consumers will receive it for 34 cents.

My comment is that while I have not been directly involved in the negotiations for gas in the Sudbury area I have been informed by those conducting the negotiations that 60 cents per thousand cubic feet is far outside the area of negotiation. No definite price has been quoted, but negotiations have been proceeding for a much lower price. Incidentally, that price is for firm power, in contrast with the price mentioned for Chicago consumers, 34 cents, which is a price for dumped gas. In other words, it is for gas supplied under that price if no other customer can use the gas under a firm contract. Incidentally, the gas to be supplied to the Chicago area is gas of United States origin delivered from a United States pipe line, and has nothing to do with the trans-Canada pipeline situation.

Mr. M. J. Coldwell (Rosetown-Biggar): Might I ask a supplementary question of the minister? Could he tell us the rate that was quoted some 18 months ago when representatives of International Nickel and the pipe-line company met, and a few months later the rate setting official suggested a rate? What is the rate now suggested to International Nickel? With regard to the other point, that is a matter to be debated on a subsequent occasion, and I shall not detain the house now.

Mr. Howe (Port Arthur): I can simply say this. Naturally the sale of gas is not a matter for this government, although in regard to every sale of gas to a consumer the rate must obtain the approval of the Ontario government or the proper agency thereof. Without disturbing the negotiation, I can say that I am informed that it is more than 10 cents lower than the price before mentioned.

Mr. Coldwell: That which is presently quoted?

Mr. Howe (Port Arthur): No, no quotation has been made in Sudbury. There are negotiations going on, but they are in an area well below the price mentioned.

ROYAL CANADIAN AIR FORCE

LANDING OF BURNING PLANE BY PILOT NEAR WOODSTOCK, ONTARIO

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): On a point of privilege, Mr. Speaker, I should like to take this opportunity of commending the Royal Canadian Air Force pilot who was piloting a Harvard training plane over the city of Woodstock the day before yesterday and, when it caught fire, instead of bailing out, landed the aircraft, which was in flames, at great risk to his life, out of consideration for the people of Woodstock.

NATIONAL DEFENCE

ALLEGED UNSATISFACTORY ARMY ACCOUNTING METHODS

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I shoud like to direct a question to the Minister of National Defence. Has the minister's attention been drawn to a news item in the Winnipeg *Tribune* of March 3, headed "Judge Blasts Army Accounting Methods", referring to a judgment by Judge A. G. Buckingham of the Brandon county court? If so, has he any comment to make?

Hon. R. O. Campney (Minister of National Defence): My attention has not been drawn to the article to which the hon. member has referred, but I shall be glad to look it up. Naturally I cannot comment on the article until I have read it.

RAILWAYS AND SHIPPING

ESTABLISHMENT OF COMMITTEE ON RAILWAYS AND SHIPPING OWNED, OPERATED AND CONTROLLED BY THE GOVERNMENT

Hon. George C. Marler (Minister of Transport) moved:

That a sessional committee on railways and shipping owned, operated and controlled by the government be appointed to consider the accounts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers, and records and to report from time to time, and that, notwithstanding standing order 67 in relation to the limitation of the number of members, the said committee consist of Messrs. Bell, Byrne, Carter, Carrick, Cavers, Churchill, Dumas, Follwell, Fulton, Gillis, Hahn, Hamilton (Notre Dame de Grace), Hanna, Harrison, Healy, James, Johnston (Bow River), Knight, Langlois (Gaspe), Lavigne, Legare, Macdonnell, McCulloch (Pictou), Murphy (Westmorland), St. Laurent (Temiscouata) and Weaver.

He said: Mr. Speaker I shall be very brief. The purpose of this motion is to provide for the appointment of a sessional committee on railways and shipping owned, operated and controlled by the government, and it is the intention to refer to that committee the accounts and estimates and bills relating thereto of the Canadian National Railways, Canadian National (West Indies) Steamships and Trans-Canada Air Lines.

I should merely like to point out that the sittings of this committee will afford to hon. members of the house who are members of the committee the opportunity of participating in a review of the accounts of these three companies, and of putting to their officers such questions as they may think suitable in order to acquaint themselves with the operations of the companies and their financial results for the last year. I do not think I need add anything further at this time. I might merely say that my experience last year was that there was a very full discussion of the subjects referred to this committee, and I hope the same will take place this year.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I think the work done or, at any rate, intended to be done by this committee is important. I think it is one of the really important committees of the year. However, in the brief remarks that I intend to make this afternoon I wish to make some suggestions very earnestly as to one or two ways in which I think the work of the committee can be very greatly improved.

I want to picture to the house exactly what happens. The committee is appointed. Then we are notified that the railway officials will be here. Then they come and we receive the annual report. We have the president and the other railway officials there to assist us in understanding the report, to answer any questions which we ask, and in that they are extremely good and extremely obliging. Then probably within the course of the first day we are asked to approve very substantial capital expenditures.

I think it is really a responsibility which no committee, certainly a committee which does not pretend to be a committee of accounting experts, should be asked to undertake on such short notice. While, as I said, the railway officials are always extremely gracious and obliging, nevertheless there is a sense of urgency, a sense that they are busy men and we must not keep them an extra day because they have important things to do elsewhere and therefore we must be as sparing as we can in the use of their time.

I am not suggesting that is unreasonable. I am only suggesting that, if the members of the committee are completely honest with themselves, I do not believe that at the end of the day they really feel that they have grasped the situation and that they have approved the expenditure of money as if it were their own money. In my opinion, only if we were able to do that would we be discharging our duty, and I suggest very earnestly that as things are managed now we just cannot do that.

I speak frankly for myself. I do not feel happy at the end of the day that I have grasped the full situation and I am sure there would be others who would say the same thing. The president of the railway himself spoke about the railway accounts as a "statistician's dream". I think we know what he meant by that and, indeed, it is no disrespect to the operating officials of the railway to say that occasionally they more or less throw up their hands and say well, that is a technical matter, that is a difficult accounting matter, and we will have to ask the chief accountant to explain that to you. The reason I am saying this is that I want to make one or two suggestions which I cannot believe would be difficult to carry out and which I think would enable this committee to function much better, in my opinion, than it is now functioning.

In the first place I should like to suggest that these accounts should be given to us some days in advance, not the morning of the day we are asked to probe them. I think it would be much better if we could have them some time in advance. In the second place, I think it would be much better if we could have some assistance in advance from technicians, accountants and others. We need not have the chief accountant. I am quite sure that over in the Department of Finance or the Department of Transport there are other people who could give us a great deal of help if only we had the necessary time.

I therefore repeat that suggestion with great earnestness and, unless there are some strong reasons against it, I hope it will be adopted. I cannot believe that there are any such reasons. As the situation is now, we pass this resolution, the committee is set up and then suddenly one day we are told that the railway people will be here in the course of a day or two. They come up here, horse, foot and artillery, with all their staff and their papers and documents.

I wish to pursue this matter a little bit further. I wish the house to realize that what we are doing sometimes is to approve extremely large capital expenditures. Sometimes those expenditures are as the result of legislation passed in this house for the construction of this or that addition to the railway. I think we may as well face the fact that sometimes we dump into the lap of the Canadian National Railways management pieces of railway that are extremely difficult for them to operate and as to which, if they were as free as are their brethren in the C.P.R., they would perhaps say, "Don't let us have them".

I suggest another thing. When it happens that we have voted a substantial amount of money for this or that line, at the first opportunity after that line is in operation, when there is a chance to find out, as far as accountants can show us, just what has happened as a result of the building of the line, I think it would be a useful lesson for us and for this house to have these figures.

I am glad to note that progress is being made on the accounting side. I have expressed disappointment in the past because the surest test of all has not been available to us, the test that I should have liked and the one which I am sure will spring to the mind of everybody as the best test of all; viz., how do you compare with the C.P.R.? We have not been able to get that information in any satisfactory form. Indeed, I think I am not exaggerating when I say that we just have not obtained it. For that reason I am glad to observe that pursuant, I believe, to the recommendations of the Turgeon commission of some years ago, there was published last autumn under the authority of the board of transport commissioners what is called "Uniform Classification of Accounts". It is dated September, 1955, and is effective January 1.

In the foreword to this statement it is interesting to note that in 1939 a uniform accounting committee was appointed by Right Hon. C. D. Howe, then minister of transport; but because of more pressing problems arising from the outbreak of the world war the matter was put over until after the close of hostilities. Some time has gone by since then, and I am glad to see that we now have this "Uniform Classification of Accounts". I understand

that from now on we shall have identical forms of keeping accounts and that we shall be able to compare them.

The chief changes, I understand—and this appeared in the press some little time ago—is that the Canadian National Railways is to be asked to alter its form of depreciation. I understand it depreciated rolling stock but did not depreciate track and buildings, treating them in a different manner. I understand that system is to be made uniform so that we shall have uniform reports from both the railways.

I could go on at length, Mr. Speaker, but I do not think there is much point in going over ground that will be covered when the railway officials are here. We all know that the railway business was very much better last year. I have here the figures for the first eleven months of 1955, during which period the operating revenues of the Canadian National rose from $585 million in 1954 to $623 million in 1955. Their net revenue rose from $13 million in 1954 to $52 million in 1955. We are all aware that the phrase "net revenue" refers only to operating revenue, and does not include interest and other charges, which will cause practically the whole of that $52 million to disappear. At any rate the situation is much better, and I think it is all the more reason why our committee should be put in a position to discharge more efficiently the duty which is laid upon it. It is a heavy duty, and I suggest again that efforts should be made so that we can discharge it as well as possible.

I hold in my hand the year-end review of the president of the railway. There are one or two things I saw in glancing over it. The president reports as to the new lines built during the year. There is particular reference to the Kitimat line in the far north; there is a reference to the progress being made with the Montreal hotel; and there is a reference to freight rates. We remember that during the year the matter of agreed charges was advanced. A piece of good news to a person like myself who lives in a riding which the railway traverses is that the grade crossing fund, we will remember, was increased in this house from $1 million to $6 million.

Mr. Marler: It was increased to $5 million.

Mr. Macdonnell: Yes, $5 million. One thing I should like to mention, because I think it was of interest to all concerned, was the appointment of a very distinguished scientist in the person of Dr. Solandt to the staff of the Canadian National Railways. When the officials are here, and when the president reports, no doubt we shall learn from him more of the background of this interesting appointment.

Before I take my seat, Mr. Speaker, I wish to repeat that I feel this committee has an important job to do. I feel it cannot adequately do that job unless it gets the information well ahead of the meeting. We should also have some kind of technical assistance. I do not think that would involve going out and hiring a lot of new and high-priced help at all. If consideration were given to it and the circumstances taken into account, and our need taken into account, it would be quite possible for officials, probably resident in Ottawa, to give us the assistance we need. At the present time what is happening is that almost imperceptibly capital charges are increasing and increasing. We know the reasons for it, but I do think it would be a good thing if we were to have a closer check on it, if we were able to have those who are most responsible give us at first hand, and not under pressure, their views regarding the matter.

I had an idea at one time myself, which I think was unsound and which I have abandoned, that it might be better for the railway to carry its own load in the matter of raising money; that it might be better for it to do all of its own financing, with necessary guarantees, of course, and not to get any further advances from the government. I have been told by those whose opinion I respect that that is not a sound idea because it would add to the cost of getting money. But I would like to have a chance, as I say, not under pressure, to talk to people whose opinion I value as to this whole situation.

Let us face the fact that the Canadian National had a difficult beginning. It was not a planned entity from beginning to end as the Canadian Pacific largely was. It began, you might say, almost as shreds and patches; it was a conglomeration of railways, nearly all of which had found difficult going themselves, and they were put together and had to be made to work as best they could. I think the progress made is very substantial, but I do feel that when this committee comes back to the House of Commons it ought to be in a better position than I consider it to be in now to report to this house and satisfy this house as to the true situation of this huge investment, which earns a gross income of as much as $600 million a year or more, and whose capital value runs into billions of dollars.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, we in this group welcome the setting up of this important and interesting committee. It

is certainly important and interesting so far as I am concerned. I do not think this is the place to make any long speech on transportation. I think the place for criticism, if any, is in the committee itself. Perhaps after the report of the committee comes back to the house those who do not agree with the general finding will then have their opportunity to say something about it.

I will follow a somewhat different line from that followed by the hon. member who just took his seat. I was going to mention some of the little things, the things that are perhaps important to the general public, things which the man in the street looks at when he considers the railroads. I am aware that this committee deals with more than the railroad. We shall have the report of the Canadian National Railways, Trans-Canada Air Lines and what is left of the Canadian National Steamships, if I may put it that way. We shall be dealing with the auditors' reports in regard to all three.

These enterprises are, of course, of tremendous importance and magnitude. I suppose the Canadian National Railways are perhaps a $3 billion operation, or something of that nature, and they are probably almost the largest employer of labour in Canada, if not indeed the largest. Last year they had a deficit of $28 million.

Mr. Marler: I think the hon. member means 1954.

Mr. Knight: Yes. I am pleased to note that the operation was more profitable in the last year; by that I mean 1955. I think every loyal Canadian would like to see the Canadian National Railways eminently successful. I know that we in this group have more reasons than one to wish it well.

This is not time to go back into the history of the Canadian National, but it has had a somewhat unfortunate history. In my opinion it has never had a chance; it has been a sort of overcapitalized conglomeration of unprofitable ventures. The hon. member for Cape Breton South (Mr. Gillis) mentioned that sort of thing the other day when he was talking about the railroad that is being built to bring out the Labrador iron ore. He said that the railroad was being built and equipped to serve that particular function, but if or when the reason for its being disappeared, then he presumed the Canadian National would be asked to take it over to join a number of other lines of the same sort.

Now, sir, the financial structure of the Canadian National Railways has been ameliorated, of course, by the government action of some years ago. So far as I am concerned that, and matters of a similar nature, are matters for the experts, the accountants and the financiers. My interest, as I said at the beginning, just for the moment at least, is in the man on the street, the consumer of the service that is provided.

We are also vitally interested in the welfare of the vast army of Canadian National employees. I think it is a matter of great importance that this road, which is a national road and the property of us all, should stand high in the regard of the public and of the employees who work in its service. I say this particularly because it is nationally owned. Its function and the criterion by which it must be judged is of course the service it provides to the public, and I am not convinced that simply to say it must make a profit is to be realistic.

Everybody knows there have been occasions this year when heavy snow and intense cold brought about a condition which road men would call "tough railroading", and I know that services have been pretty freely withdrawn in certain districts of Saskatchewan on that account. There has also been the fact that grain has not been able to move freely because there is nowhere it may be moved and that, too, is a consideration. I simply want to draw to the attention of the house the fact that I think there are times when it is justified to maintain public service even if in fact that public service does not show a profit in black upon the balance sheet. The popularity of the road depends on the quality of the service.

What are matters of concern to the average user of the railroads? I suppose from a business point of view one must first mention freight rates. I do not think this is the time to go into a discussion of that sort of thing. As far as passengers are concerned, I think the speed and comfort of the service are essential. We are also concerned with the working conditions and the pay of the people who work on the road. On working conditions, pay and pension arrangements, and that sort of thing, morale largely depends.

I think morale is particularly important in this particular operation. Morale is certainly going to have an effect on whether or not the Canadian National Railways is considered as a first-class operation. We have to face the fact that the Canadian National Railways is pitted against efficient and strenuous rivalry from the Canadian Pacific Railway. We have to meet that competition, and in this matter I think the morale of the workers is particularly important.

There are two matters I want to mention in this connection. These may look like small matters, but I think they are important. What do we hear from the man in the street, the

man who travels on the cars? What do we hear when we hear these railroads compared? One might be surprised to know that people regard the possession of domed observation cars by the Canadian Pacific as an important advantage, and the fact that the Canadian National has no domed cars is a matter of importance to them at least. I simply draw this to your attention.

Another matter of importance is speed. As I have stated before I do not see why in this vast country, with travel involving a large number of miles, the Canadian National has to take two hours longer than the Canadian Pacific in reaching Vancouver. It has been explained to me that the Canadian National gets to Winnipeg faster than its rival; we have heard that story before. Many hon. members will recall what Mr. Gordon has described as the greatest railway myth of all time, when it used to be asserted that at any time the Canadian National could spurt up a bit and improve its speed by ten hours on the transcontinental trip and thereby beat the Canadian Pacific into Vancouver or Montreal by that amount of time. He described that as the greatest myth in railroad history, and he may be right.

However, I would draw to his attention and to the attention of the house that when one or both roads decided to step up their time they decided suddenly it was quite possible to speed up by some ten hours, and both roads were able to do that.

One point which has been drawn to my attention two or three times is this. Why in the world when it decided to increase its speed, did the Canadian National not increase its speed to the same extent the other railroad did? What is an hour's time in travelling across this vast continent? Those are little things, but they are important.

Before I started this discussion of detail I was talking about morale, and there are examples of the little things that build morale. Belonging to an effective organization, a crack organization, must have the effect of building morale, whereas belonging to an organization which is less than first class must have the opposite effect.

At this time I should like to pay tribute and extend a word of congratulation to the Canadian National Railways on the improvement in its dining car facilities. While I take no credit whatever for the change in the management's opinion in that regard, the fact remains that for five or six years I have suggested that something be done about dining car rates in this country. As far as I am concerned the national railroad should have only one object in view, and that is to serve the public, to serve the greatest number of the public.

[Mr. Knight.]

A few years ago the situation was such that only a small percentage of the travelling public in Canada was able to buy meals on the train; it was not financially possible for the general public to make use of the dining facilities on trains. It used to make one's heard bleed to see a mother with three or four young children travelling thousands of miles, involving several days and nights on the train. Upon entering the dining car one frequently saw such a woman glancing at the menu, shake her head slowly and then order a glass of milk or something for the children and not eating anything herself. I have seen this myself. Everyone is familiar with the constant cry of travellers, "When do we stop for ten minutes so we can get off and get something to eat"? I think that has been the experience everywhere.

We in Canada compare rather unfavourably with certain European countries in this regard. I am not suggesting that we should adopt the afternoon tea habit, but if you have ever travelled from London to Edinburgh or from Liverpool to London you will have observed that everybody on the train has afternoon tea. My idea of the function of a dining car service, particularly in this great country where people would eat two or three meals a day if they could afford to do so, is to provide a service that will be within the means of all the travelling passengers. I am not talking about the first-class coaches, nor do I refer particularly to the tourist coaches. I am talking about the people who travel on what we call the day coaches. I think there has been a great improvement in this regard, and I should like to congratulate the management for this.

I know there are some people who do not like the present arrangement; they dislike crowds and demand privacy and all that sort of thing. Most of the trains now have arrangements for that. The people who desire a meal involving privacy and better service can obtain it at a somewhat higher price. The condition I have long hoped for and spoken about, wherein everyone can get something to eat at a reasonable price even if it is only a light lunch, a hot dog or a cup of coffee, has come about, and people now do not have to be hungry while travelling.

I have been discussing working conditions, and I cannot refrain from mentioning the question of C.N.R. pensions. I know that in doing this I am infringing upon the field of the hon. member for Winnipeg North Centre (Mr. Knowles), who has made this one of his many causes on behalf of the underprivileged. This is a great organization in which we have not only a moral but a financial interest, and we think it should be more generous with

those people who have served it in the past but who now find themselves caught in the squeeze of the high cost of living. The knowledge that there is a good pension system is a morale builder in any organization.

There are one or two local matters with which we in the west are concerned. I have already mentioned the fact that service has been eliminated or lessened on certain branch lines, particularly in northern Saskatchewan. I have said already that I do not think profit is the only thing that should be taken into account. Service should be maintained, and certainly during the type of winter we have had this year it was not the time to carry out an economy of that sort.

Then I should like to refer also to the box car shortage, and in doing this I assure you I am not going to reopen the debate on wheat. The responsibility for the box car shortage has been bandied back and forth on the government side of the house until we really do not know where the responsibility lies. However, I note from a reply given to a question asked by the hon. member for Winnipeg North Centre, as reported on page 1606 of *Hansard* of February 27, that the Canadian National Railways has a large number of box cars on order. The term "large" is comparative. Who am I to say what is a large number of box cars for an institution like the Canadian National Railways? But I am glad to see that at least some box cars are on order.

One thing that has troubled the farmer in the west is that he hears about space being available in certain elevators but he finds there are no box cars to permit him to deliver his grain there, so he could get at least some money for it. I draw this fact to the attention of the railway. I take it that the management know what they are doing; I take it that they have taken into consideration the present shortage in placing their orders, and I am glad to see that some of the new box cars have been delivered and are being put into service.

There is another question about box cars, and that is the number which are perambulating around the United States. I do not know whether this situation is normal, but if hon. members will look at page 1826 of *Hansard* of March 5 they will see where the minister made a reply to the hon. member for Kindersley (Mr. Johnson) indicating the number of box cars at present on United States lines. Many people have the feeling that these box cars are down there longer than is necessary, and I suppose their wish is that the cars were available here rather than being kept in the United States for so long.

I should like to indicate my pleasure at the success last year of the Hudson Bay railroad. The deficit has been reduced considerably, as has the amount which the government has had to provide for operating expenses. Revenue has greatly increased. The wheat shipments established a record, and I wish there had also been a record established in the case of goods being shipped in. I note that in 1954 there were 36 ships at Churchill and 12,485,000 bushels of grain were shipped to northern Europe. Those shipments exceeded the 1953 figure by five ships and 1,700,000 bushels. As far as the port itself was concerned the turnaround time was reduced to an average of 3·6 days as compared with 5·6 days for the year previous.

The people in the northern part of my province are tremendously interested in this operation. They look upon it as being something of their own. They have always had an interest in this port railroad, which I think can be explained by the feeling that prairie people have for water. You may be interested to know that on a Sunday afternoon you can drive along our rather sluggish and muddy South Saskatchewan—I hope I will not get into trouble by saying that—in my city and see hundreds and hundreds of cars parked on the river bank with the people just watching the water run over the dam. It is a prairie habit to go to the nearest water and this habit is well founded in history. We all remember the drought in the dry years of 1930-37.

Perhaps that is one reason we are interested in our port. We feel that after all we are not so far from the sea, and in the case of some of us it brings us that much closer to the country of our origin. We have a pride in that port and we want it to succeed. We congratulate everybody concerned, the government, the railroad and everyone else upon bringing about the realization of an ambition to get this operation on its feet. If in the next year there is an increase in proportion to the increase of last year, we feel that we will have realized at least the first step in our ambition.

There are many other problems connected with the railroads but I am not competent nor have I the time to discuss them at the moment. There is the matter of truck competition, or the co-ordination of railroads with the trucks. There is the matter of a national board to control transportation. There is also the question of level crossing elimination and all the rest. We welcome the setting up of this committee, and shall look forward with interest to its discussions.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, we in this group welcome the setting up of this committee at this time. I

was quite interested in what the hon. member for Saskatoon and the hon. member for Greenwood had to say with respect to the setting up of the committee, because it indicated the wide scope of the problems we are going to have to face when the witnesses and officers of the Canadian National Railways, Trans-Canada Air Lines and Canadian National (West Indies) Steamships are with us again.

As the hon. member for Saskatoon has said, there are many problems, many of them accentuated right across the nation, which is an indication that we should spend considerable time discussing them. The hon. member for Greenwood pointed out the difficulty we have had from time to time in getting satisfactory information. It is not that the officers have denied us the right to question them or that they did not feel free to give us the right answers, but I always had the impression that they were in a hurry. They had a job to go back to and did not have time to talk to parliamentarians who apparently were unfamiliar with the operations of this great organization which we have to study.

I feel that for that reason the committee should possibly be larger. It would seem to me that if we had a larger committee more of these questions might be forthcoming that would bring out the answers to the questions we think of after the committee has gone home. In keeping the committee to the same size—and this might be more desirable, because by adding to the number of members you really add to your difficulty—we should have this group of officers before us for a longer time so we can get at every problem and analyse it in every possible way. The Canadian public may think that members of parliament are not on their toes and doing their job properly, in all likelihood, because of some of the suggestions I make, but it would seem to me that it is quite impractical for a group of us to be handed all the information that we get at such short notice, to read it, to analyse it and then to rationalize it properly in every way possible. We should spend more time and have the officers with us for a longer time to get to the root of every question that might be bothering us.

The hon. member for Saskatoon mentioned some of the little things the people are interested in. I could add one to that group, as an example; the fact that the fast, streamlined train from Jasper to Vancouver just misses the Great Northern going to the United States by a matter of 12 minutes at New Westminster, whereas a change in the schedule would allow the passengers who have been holidaying at Jasper to take the streamlined Great Northern train down to Seattle and San Francisco and the other United States cities from which they may have come. By missing that connection they have a stopover for a full five hours either in the city of New Westminster or in Vancouver.

It is not that we have nothing for them to see, but when people are on a holiday, I have generally found, they make their way to the destination that is their holiday point, and then they want to get home as quickly as possible. They do not want to be dilly-dallying along the route if they have a ticket that calls for going on south. That would be just another small thing, but it is an aggravating point.

Mr. Knowles: Has the hon. member taken that up with his chamber of commerce?

Mr. Hahn: Yes. In fact, it was one of those very chamber of commerce members who brought to my attention the very fact that people from the United States write to them and protest that they do not like that kind of treatment.

Mr. Byrne: Do they ask the Great Northern to change its schedule?

Mr. Hahn: It is rather difficult to get to Jasper by the Great Northern. However, the fact of the matter is that this is a difficult problem. Those people who do want to stay and plan their holiday season in Vancouver and New Westminster have very little difficulty on their return from Jasper in doing so. They merely stop over. They have already made those arrangements and will take the next train out, which would give them the opportunity of spending those five hours in the city if they so desired. However, I am satisfied that we can appreciate some of the vexation and frustration they must feel when they realize that their train left only 12 minutes before their arrival.

The hon. member for Kootenay East asked a question with which I am going to deal. He asked particularly, "Why not ask the Great Northern to change its schedule?". I would suggest that some day he take a train trip from New Westminster to, let us say, southern California, or even Oregon, and find out for how many trains he would have to change the schedule.

Mr. Byrne: Will you pay my fare?

An hon. Member: No, you would get the Liberal party to pay yours.

Mr. Hahn: I have all kinds of friendly advice in these matters. I am satisfied that the hon. member for Kootenay East, in his own way, fully realizes that he is not serious

in his remarks, or he would not raise such nonsensical suggestions in the house.

There is another question which I think is very important, and which undoubtedly will be raised in the committee. It gives me a sense of satisfaction to think that the committee will be able to ask questions on this again. It would appear to me that Canada is very gradually being socialized by means of the Canadian National Railways.

An hon. Member: Hear, hear.

Mr. Hahn: If I had not heard anybody comment "Hear, hear", as the hon. member for Burnaby-Coquitlam did, when I made that remark, maybe I would have been wrong; but he is happy in the thought that Canada is gradually being socialized and he sees here an opportunity to carry on more of the socialism despite the fact that the members of the government, or the members of the Liberal party itself, so frequently say they are the free enterprise party in this country.

Why do I suggest that socialism is creeping into Canadian life more and more? We have for instance, the fact that when the railways first went bankrupt, the Canadian National Railway Company was formed under the government to operate those railways, and for a good purpose; for when free enterprise fails to offer a means for carrying on the services within the country, I feel it is up to the government to provide the people the facilities they require.

However, from that point on we had the gradual development of the Trans-Canada Air Lines, which today will not harbour any competition. As Canadian taxpayers we are being denied the right to cheaper transportation which Canadian Pacific Air Lines would offer us across the pole to Europe. I know this matter is perhaps not one that would concern so many people, because there will not be many people using the facilities to go to Europe from this country. However, it is a matter of some concern when one also realizes that not so many months ago Pacific Western Airlines was denied a service across Canada in direct competition with Trans-Canada Air Lines because Trans-Canada could not stand the competition. They knew that it would mean cheaper fares for the people in Canada who wanted to travel by air.

We have here the creeping paralysis of socialism in regard to such a company as Canadian Pacific Air Lines. When United States travellers or any other travellers who want to go to Europe are denied the same fares as would be available if they went by another air line, then I would say that other company is going to get the business. That is exactly what is happening. People who want to use air services from Winnipeg, such as the Scandinavian Air Service, are denied that also. There is no getting around it. We have here a monopoly which cannot and will not harbour any competition; and that is wrong in principle. If the operations of Trans-Canada Air Lines, Canadian National Railways and the steamship service are to be continued in their present form, then these organizations should be prepared to stand up to any kind of competition.

We are told that the Canadian National Railways are losing money because of the great big truck transport lines, and that the railway is going to inaugurate a piggy-back service to compete with the truckers with the idea of getting rid of the truck competition through having a lower rate for the railway service. If you get rid of the trucking industry what will you have? You will have more socialization, and you will have put a certain number of people out of business.

The setting up of the committee will give us the opportunity to find out how many truckers have been put out of business, and I hope we will not be denied that privilege. We will be denied it unless we are able to call witnesses from the trucking firms. I think we should have the privilege of calling witnesses from Canadian Pacific Air Lines, Pacific Western Airlines, the various trucking organizations and hotel companies who will be competing with the new palace that is being built in Montreal. I think we should have the officials before us in order to investigate these matters. We should have the privilege of asking these witnesses to come before us so they can discuss their problems with us so far as competition is concerned, and how they are gradually being forced out of business because these government-owned organizations are carrying on in this fashion.

I also feel that the setting up of the committee will give us the opportunity to look into the labour problem again. Here I should like to compliment the railway officials for coming to an agreement with the brotherhoods with respect to the hiring of men for work done under contract, as in the case of the Welch company. I understand that matter has been amicably settled. That is a good, sound practice. But these are the things we find taking place, and we must guard against this creeping paralysis of socialism. We must protect the interests of the taxpayers and guard against the setting up of various industries by Canadian National Railways.

Incidentally, the railway does not pay income tax or any other similar tax to the degree that private enterprise does.

It is essential that we should have such witnesses come before us so we may compare the methods of operation of private enterprise industries and the government-owned organizations, and so we may find out exactly what effect this big government-owned industry is having upon private industries. We are rapidly being conditioned to nationalization and we will be completely nationalized before we are aware of it unless we examine this matter very closely.

Therefore I do not look with any degree of kindness upon the idea that we are going to have a committee again where after a couple of days the inference will be present that we had better finish our work because the week end is coming and these people want to get back to their jobs. That is something that has always struck me about our committee work. I know I am a newcomer, and it may be that as a newcomer I take a different view of the whole situation from that of some of the old-timers who have sat on such committees year after year and have got used to it.

Mr. Gillis: You do not understand the whole thing. That is all.

Mr. Hahn: That is very well put. I do not understand it, but I have been sent here to understand it, and I expect these officials to remain here until such time as everybody understands. I am not satisfied that the hon. member for Cape Breton South understands completely why the railway does not use Cape Breton coal any more. If he did he would not ask the same questions year after year with respect to what has happened to the coal industry.

Mr. Gillis: I do understand. It is a casualty of free enterprise.

Mr. Hahn: The fact that Trans-Canada Air Lines cannot stand competition is in itself criterion enough to indicate that we have to stop and take a second look at this creeping paralysis of socialism. I should like the experts from the gigantic railway enterprise, the steamship lines and the air line to define their policy for us, because they seem to be making it. I am satisfied that the Minister of Transport certainly is not going to take a suggestion from the railway officials or any other officials unless he has discussed it with his colleagues and it has finally been decided that is the policy they should follow, but the point is that the Canadian public have a right to know from the officials of this industry exactly what their objective is, why they want to do away with competition from trucks, why they want to do away with competition from Canadian Pacific Air Lines and Pacific Western Airlines. As I say, these are the questions that must be examined and that the Canadian public have a right to understand.

I am quite happy that my hon. friends to my immediate right do not agree with me. If they did agree with me it would indicate that I was off on the wrong foot. They feel that here they have a socialist industry which is continually socializing more of Canada, and they are happy to see it grow. I am not happy to see socialism grow in this country, especially when it is sponsored by a supposedly free enterprise government.

For that reason I am glad to see the committee set up. I have one further recommendation I should like to make respecting it. There are certain members of the house who do not have the privilege of being members of the committee because they do not belong to a political party recognized as being nation-wide. Certain of these members have taken a vital interest in much of what has been done in this country with respect to the development of railways, the shipping industry and the air-lines business. If those members who do not belong to a particular political party make a special request to be members of this committee, I think they should be afforded that privilege.

Mr. W. J. Henderson (Kingston): Mr. Speaker, I should like to say a few words on the motion to set up a sessional committee on railways and shipping owned, operated and controlled by the government to consider the accounts and estimates and bills relating thereto.

To begin with, I should like to say a few words of congratulation to our railways for the additional service they have provided by way of making it more comfortable for people wishing to travel from coast to coast. However, I do not think we should limit our consideration of comfort only to the rolling stock and motive power. I believe we should go a little beyond that. It is a great thing that we have fine hotels, but somewhere between the rolling stock and the hotels some consideration should be given to the railway stations and the methods of travelling to one's home from the station or vice versa.

I am not going to say anything about the Kingston station this time. All I can say is that it is just that much worse by being one year older. However, for a few moments I should like to discuss the matter of issuing monopolistic franchises to certain taxi companies throughout the country with respect to service at various stations. It is true that the

franchises are granted by tender, and that the highest bidder is the one who receives the franchise. I might say at our local station in Kingston it is given, by tender, to a highly reputable taxi company. They received the franchise, and as far as they are concerned they are doing a good job. But taking the matter beyond that point, may I say this. Complaints have been made to me, and on taking them up with the officials I have been told that it is the uniform thing to do, that they must continue to use this franchise method of awarding contracts to taxi companies to deliver people from the station to their homes or wherever they wish to go.

This system may be all right in a large city where there is a problem in connection with the control of traffic outside the station as well as on the station or railway property. But in a city of the size of Kingston people normally have become accustomed to having personalized taxi service, where you become a customer of a taxi company or of an individual operating one or two taxis. He will come and pick you up and take you to the station, and will also be there to meet you to take you to your home from the station.

The idea of the franchise may be all right, as I have said, in a large city; but in a small city I do not agree with that idea. In a place like Kingston, having regard to the location of the station area itself, it assists the railway officials in policing a station area by having only one taxi service calling for people. But if a passenger on a train wishes to have his own taxi come and pick him up, it is necessary for him to walk a city block, carry his luggage, get his own taxi and make arrangements for it to be there rather than taking a taxi which has the franchise.

I should just like to bring this thought to the attention of the house, Mr. Speaker, and indicate a direction of inquiry to anybody on the committee who might wish to go into the matter. Because you wish to travel by rail and buy a ticket, I cannot see why the railway service which provides your rail transportation should therefore, by their franchise, award the taxi service—and I say quite properly "award" it—by tender and direct how you should go to your home. I feel that it should be left to private enterprise. I cannot see why in Kingston or in cities of that size it cannot be left to private enterprise to handle and not be handled by franchise, when there is little reason other than that it is usual in larger cities to do so.

Mr. Deputy Speaker: Order. I wonder if I might take the opportunity of making a suggestion and of inviting the co-operation of hon. members. We are discussing a resolution to set up a committee. Of course relevancy is difficult on such a resolution. An hon. member can discuss various matters dealing with the Canadian National Railways and then say, "For that reason, Mr. Speaker, I feel that it is extremely important to set up the committee". He can attempt to make his speech relevant on that account.

The suggestion I should like to make to hon. members is one which I find, by looking up the debate of last year, was made by Mr. Speaker in the following words, as reported at page 2441 of *Hansard* of 1955:

> Mr. Speaker: I do not wish to limit the latitude which hon. members may wish to take on this motion but I am asking myself whether it is in order at this moment to discuss whatever one might want to put forward before the committee after it is set up.

I thought I would rise at this time to throw out that suggestion to hon. members. I think they might consider it and perhaps co-operate by refraining from discussing subjects which might more easily be discussed when the committee itself is set up.

Mr. John B. Hamilton (York West): Mr. Speaker, I hope the fact that you recognized me just before making those remarks does not indicate that I am going to be restricted too severely in my remarks this afternoon. As a matter of fact I might say to the Minister of Finance (Mr. Harris), the house leader, that I find the practice in the debates in this house about as frustrating as I find courtroom practice in my profession. Last night I was getting ready for research, and today I find that I am to deal with this resolution.

I will not start, Mr. Speaker, by using the well-worn phrase that I intend to spend only a few minutes on this resolution. I will, however, give a commitment that I intend to deal with only one part of it, namely that having to do with Trans-Canada Air Lines. As a matter of fact, I am most surprised that all this resolution stands in the name of the Minister of Transport, because it seems to me to be well recognized that he does not seem to administer the affairs of Trans-Canada Air Lines. That happens to be another of the little side departments which are handled by the Minister of Trade and Commerce (Mr. Howe).

Of course I should not be too much surprised about that fact, because there are many side departments which are handled by the Minister of Trade and Commerce. In fact there are not many trends in business that you can get into these days where you do not find his hand somewhere. But as a preliminary observation may I say this I am wondering whether it is not about time

that the administration of this company was returned to its proper place, namely under the Minister of Transport.

I might be forgiven for saying that I think if it is important enough that the Minister of Trade and Commerce should handle it personally, then perhaps what is required in Canada today is a minister of transport for air. It seems to me that we are moving into a phase in which air transportation is going to be by far the most important part of our transportation scheme in this country. In that statement I am not minimizing the extremely important role the railways have to play. I think everyone in the air transport field believes that for bulk transportation they will continue for many years to come to be the main means of the movement of goods in Canada. But if you follow the statistics, it is quite obvious that from the standpoint of the movement of passengers there is a continuing decline in the movement by the railways and at the same time an increase in volume of business by air.

Mr. Speaker, I am pleased that in this resolution, as I have read it, the committee is empowered to send for persons, papers and records. I noted that the hon. member for New Westminster referred to that fact in his speech and pointed out that it was most important that we take full advantage of our ability in this committee to have contact with those who are expert in the various fields of air transportation in order to see whether we cannot assist in charting a course in transportation in this country which will stand us in good stead for many years to come.

I say to you, Mr. Speaker, that this is the time to do it. This is the period when, if the groundwork is laid solidly, this country can be in the forefront of the air powers of the world. In connection with your observations about relevancy, Mr. Speaker, may I say that I think we need to attune this committee to the situation we face today. I think it is quite relevant. The need for this committee is tied up with many changing aspects of that situation. I might be forgiven, sir, if I said perhaps we should know a little about the question of speed and capacity of the aircraft we have now and what we are going to have in the future.

I should like to refer for a minute to Mr. Gordon McGregor's presentation to the royal commission on Canada's economic prospects, in which he gave us a peek at the situation as we have it today and what we face in the future. He dealt with it from the cost standpoint, from the speed standpoint and from the capacity standpoint.

Trans-Canada Air Lines started with our Lockheed 14. They were worth $105,000; their cruising speed was 175 miles an hour and their capacity was ten passengers. The North Stars cost $685,000; their average cruising speed was 220 miles an hour, and they had a capacity of 40 to 62 passengers. The Viscount costs $1 million per aircraft; their speed is 310 miles an hour and they have a capacity of 40 passengers. The Super Constellation costs $2,300,000; their speed is 290 miles per hour and their capacity is 63 passengers. The long-range jet transport, which we feel will be in service early in the 1960's, is going to cost $5,500,000. The speed will be 550 miles an hour, and the capacity will be 120 passengers.

I might say there are people close to this business who are not exactly sure that we should move immediately into this type of transport. There are those who advocate the use of the turbo prop on a larger scale than the Viscount. They refer to the Britannia as an example, and say that perhaps Canada might be able to get one step ahead in the immediate period by making use of that type of large aircraft. The use of aircraft of that type might conceivably set us back in the long-range picture, but if there is an opportunity to build such a plane in Canada by making use of Canadian dollars to put Canadian workmen to work and build up an industry on a solid and firm foundation—not just on a question of building fighter planes—then perhaps this government, through its agency, Trans-Canada Air Lines, might seriously consider whether it is not feasible and possible to handle purchases of that kind.

In this connection I refer, as a matter of fact, to the submission made by Canadair to the same royal commission, in which they mentioned that they had canvassed the situation dealing with the production of such an aircraft. They indicated that $40 million was required as a production cost for the first 40 aircraft $67 million for the first 100 aircraft; and that it appeared that 300 aircraft would have to be produced in order to make it an economically sound scheme. But such an aircraft has a great military potential. It has been proven conclusively in the United States that only by the use of government funds in the development of military aircraft can we then turn to the production of civilian aircraft on a profitable basis.

I think it will be found that Canadair's brief indicates disappointment that there was no indication from this government that it might consider the production of some of these models for military purposes. As a matter of fact, their figures indicating that 300 aircraft were required to make it a sound business proposition are not quite in line

with the brief of Avro of Malton, which indicates that perhaps 100 aircraft of this transport variety would make a sound business proposition for them. I do not know where the break-even point is in this type of development, but I do know that with the volume that is projected for the future by Trans-Canada Air Lines there is every indication that in the foreseeable future we are going to be in the position where we are going to buy aircraft in 100-lot bundles. If we are going to be in that position, then surely we should be thinking about building those aircraft in Canada.

I spoke about the future and what it might hold in the volume of traffic. I might refer again to Mr. McGregor's brief in which he refers to the over-all traffic potential, and shows that in 1960 they expect $110 million to be their gross revenue. That is an increase of 45·8 per cent over 1955. In 1965 they expect to gross $145 million, a further increase of 31·8 per cent. In 1970 they expect to gross $180 million, an increase of 24·1 per cent; and in 1980 they expect to gross a total of $250 million, an increase of 38·9 per cent.

These are the figures which indicate that in this country alone there is going to be a very good potential market for transport-type aircraft. This committee might very easily look into the question from the purchase standpoint, from Trans-Canada's standpoint, to see whether the government itself, through its expenditures on defence production, might assist in ensuring that our basic plane industry is the type that will go on and be self-supporting for many years in the future.

Another thing that will have to be looked at is the question of what sums of money this government is going to spend to handle the other items that will be required in the future for air transport. It is not just simply a case of Trans-Canada ordering the planes and carrying out the work. This involves all the additional facilities which will be required at air terminals, and of course, most specifically the amounts which will have to be set aside for improving and lengthening runways and things of that kind. Mr. McGregor referred to the question of airports as well.

Mr. Marler: Mr. Speaker, I should like to raise a point of order. Perhaps the question of the kind of aircraft that Trans-Canada Air Lines might acquire might, by some rather difficult process, be considered to be relevant to the accounts of Trans-Canada Air Lines; but when we go on to deal with the question of the sums of money that are going to be spent to provide other facilities for aviation, we are getting directly into a subject which I think ought to be gone into when the estimates of the Department of Transport are before the house, when it will be possible to deal with it adequately. It seems to me that we can go on talking about the facilities that are related to air and to airways, but surely not because we merely mention the name "Trans-Canada Air Lines" in this motion.

The Acting Speaker (Mr. Applewhaite): I think the minister's point is well taken. The resolution which I have just read again deals with the accounts, estimates and bills relating to certain crown companies. Provided that the hon. member is dealing with the activities of those crown companies, I could not object; but the moneys spent on building or improving airports and airways, if they are moneys spent by the Department of Transport as a department as against the moneys being spent on Trans-Canada Air Lines, could not be discussed in the committee, and therefore would hardly be in order on the resolution to set up the committee.

Mr. Hamilton (York West): Mr. Speaker, with reference to the point of order that has been raised, I see no better place to discuss this particular problem, in fact I see no possible way of obtaining the type of information that is required for Trans-Canada to carry on its operation except through qualified people who can be brought before that committee. It may be true that the money that is to be spent will be spent by the Department of Transport; but if you would like me to read this passage from Mr. McGregor's remarks you will see that unless this is done Trans-Canada Air Lines will not be able to carry out this service. On that basis I submit that my remarks are in order, and that committee is the place where we should be able to get the information required to enable Trans-Canada to carry on its business.

The Acting Speaker (Mr. Applewhaite): I am going to suggest to the hon. member and to the house that we permit the hon. member who has the floor to read the passage to which he has referred; but I think I must, as a servant of the house, reserve the right to decide that further discussion of it may not be in order because, as all hon. members will agree, there must be a dividing line between Trans-Canada Air Lines as a crown corporation and the activities of the Department of Transport as a department of government.

Mr. Hamilton (York West): Thank you very much, Mr. Speaker. I shall try not to spend too much time on this disputed point. Mr. McGregor said this:

> New runways will have to be built, and at some airports, runways will require to be increased in size. In some cases, at larger airports, existing

runways will need considerable strengthening to bear the weight of the new and heavier aircraft types and, in other cases, new airports will have to be built in their entirety.

Beginning in 1960, large jet aircraft will require 9,000-10,000 ft. runways. Intermediate range turbo-prop aircraft will require 6,000-7,000 ft. runways, with the shorter range inter-city aircraft needing 5,000 ft. runways.

Here is an indication that within this committee we should have the opportunity of bringing forward witnesses who will be capable of informing us of the type of future that must be plotted in order for our government-owned air line to properly carry out its function. Yet later on in this same brief Mr. McGregor referred to the question of the use of vertical thrust aircraft. He said this:

Furthermore, serious consideration must be given to the potential of the entirely new type of vertical thrust aircraft which has recently entered the design picture. Utilization of such aircraft by T.C.A. is not probable before 1965.

Here is a case where we do need expert advice. In view of the new theories concerning boundary layer control in connection with the use of the various types of aircraft we may be placed in the position where we will be building airports to accommodate Trans-Canada Air Lines with these new and larger aircraft, whereas the latest development of science may indicate that in the very near future we should be able to contract these runways. The course that is followed by Trans-Canada Air Lines will have a great bearing on what chart must be drawn for the activities of the government in connection with this particular sphere of government business.

The Acting Speaker (Mr. Applewhaite): Order. I am going to ask the hon. member to leave it at that. I have followed him, and he has been referring to the activities of government. The physical facilities which the government may or may not have to provide for Trans-Canada Air Lines and other air services in the country in the nature of airports and other public facilities I think are items which will not be considered within—and I quote the resolution—

. . . the accounts and estimates and bills relating thereto—

—of the various crown companies concerned.

Mr. Hamilton (York West): Well, Mr. Speaker, I should like to go on. I have mentioned my other point, the question of buying in Canada, so I shall not spend any more time in connection with that particular part of my address except to say the course that is followed by Trans-Canada Air Lines in connection with its purchases and the acquisition of equipment will be the deciding factor in the future of the aircraft building industry in Canada.

I think that must be borne in mind if we are to have the opportunity of selecting people to appear before the committee, experts who will be able to inform us as to what is the break-even point of construction on this type of aircraft. That would be a most important feature to be dealt with by this committee if the proper personnel were allowed to appear before it.

There is one other point that has been discussed by many hon. members in the house, and it was referred to again by the hon. member for New Westminster. I refer to the question of the over-all competition picture in so far as the government-owned air line is concerned. I think most hon. members should be aware that this air line does not come within the ordinary scope of the air transport board. Section 15(7) of the Aeronautics Act provides:

The board shall upon application grant to Trans-Canada Air Lines a licence to operate a commercial air service under such terms and subject to such conditions as will enable Trans-Canada Air Lines to perform any agreement made, under section 15 or 24 of the Trans-Canada Air Lines Act, between the Minister of Transport and Trans-Canada Air Lines or between the Minister of Transport and any corporation created under section 19 of that act.

This is in an entirely different position from other companies carrying on business in this field. As a matter of fact it is so different that a press comment appeared not too long ago to the effect that Trans-Canada Air Lines traded certain of its routes with Canadian Pacific Air Lines. It gave up certain international routes and in return it got the route from Montreal to Quebec and other places. Obviously if we are going to have a company which is over the so-called regulating body, then the appeal in connection with its operations must be made directly to the cabinet. As a matter of fact, as I have stated before, it would appear that it must be made directly to the Minister of Trade and Commerce.

I asked the Minister of Transport this question last year as reported at page 6592 of *Hansard*:

I wonder if the minister would reply to my question. Does he know the particular reason why Trans-Canada Air Lines remains under the control of the Minister of Trade and Commerce and not under his department?

The Minister of Transport answered as follows:

The subject has not been discussed since I have been minister and, consequently, I am unable to express any opinion on it at the present time.

I can only assume that the whole competitive picture, since this air line is above the regulating body so far as I can determine, is in the hands of one man. There have been various views expressed as to the competitive picture. I might repeat again what the Prime Minister said in addressing the air industries and transport association in November, 1953. That was at the time when we had an application for a competitive air freight line.

The Prime Minister said, as reported at page 6498 of *Hansard*, July 20, 1955 on which date I read his remarks into the record:

> I will assure you that the government does not necessarily intend to guarantee every operator a permanent monopoly in his area. Let me assure you that whichever way the decision goes now (reference to the then pending C.P.A. transcontinental air cargo application) it will not in the long run be a decision in favour of perpetuation of monopoly conditions.
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> I have stated many times, before representatives of other industries, that the government to which I belong believes that as a general rule the public can be best served under competitive conditions. And I believe that once the air transport industry is soundly established, the decisions to be made by any Canadian government should be in favour of opportunities for competition.
>
> And in view of the tremendous development of our resources that has been taking place, a development which shows no sign of relenting, the demands for the services of commercial aircraft should increase to such an extent that increasing competition will be both desirable and beneficial.

These are the words of the Prime Minister describing what he felt were the conditions dealing with the situation, at a time when another air line was challenging the position of our government air line. I would like to ask, have these conditions not been fulfilled? Since Trans-Canada Air Lines has laid the firm base and foundation referred to in his remarks is it not time that we had some type of competition on a well-regulated basis which would be in the public interest of this country?

We have had statements of policy on this matter before. In speaking before the same association the former minister of transport indicated that the government was then in a position to permit regional competition. We have not had any regional competition yet. Speaking about the position mentioned by the hon. member for New Westminster, surely if we are not in a position to say that this company can now stand competition on a national basis, there must be some point along the line where cheaper air bus service can be established to provide a type of service which all the public can use on a day to day basis.

How are we going to accomplish that? First of all, let us get Trans-Canada Air Lines back under the regulations of the air transport board. If this job is so large that it requires special attention, then let the government appoint a minister of transport for air. Let us have people before this committee who have a knowledge of the future trends of this business, who can chart a course for us to indicate where we are really going.

This is a wonderful opportunity to bring before the committee those who can chart for us the future of civil aviation in Canada. Along with the hon. member for New Westminster, I will be glad to sit there until such time as we have the whole future opened up before us. Let us not miss the opportunity.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as has been indicated already by my colleague the hon. member for Saskatoon (Mr. Knight), we welcome this motion to establish a special committee to deal with matters relating to Canadian National Railways, Canadian National (West Indies) Steamships and Trans-Canada Air Lines. In fact this committee is so welcome every year that I sometimes wonder why the government has not decided to make it a standing committee. Perhaps I should not stress that point too much, lest the government take me up on it and then we would not have this debate every year.

However, we welcome this motion, not only because we feel it is the duty and responsibility of parliament to examine the affairs of these crown corporations but because we feel it presents an opportunity for members of parliament to learn what these corporations are doing. I think most of us in this house feel that these corporations are a matter of pride so far as Canada as a whole is concerned. It is true that we have suggestions and complaints from various quarters of this house, but generally we are pleased with the work being done by the management and the many thousands of employees working for these three organizations.

As hon. members will expect, the main complaint I will make has to do with the pensions of retired employees of Canadian National Railways. However, I shall leave that for a moment or two and deal first with one or two other matters.

While I am delighted that we live in the kind of country where people can complain against government policy; while I am delighted that we live in the kind of country where newspapers, even Liberal newspapers can complain against government policy, I must say that I regret the extent to which public bodies such as Trans-Canada Air Lines seem to be coming under quite unfair attack not only by members of this house but by newspapers such as the Winnipeg *Free Press* and others.

This is perfectly in line with the position taken by my hon. friends to the right, of the Progressive Conservative party, and my hon. friends to the left, in the Social Credit party. They go all out for free enterprise; therefore when there is a move in the direction of public ownership they try to scuttle it if they possibly can. However, I think any objective person will recognize that the record of Trans-Canada Air Lines is one of which we all have reason to be proud.

I am satisfied that we would not have the excellent air line that we have in this country known as Trans-Canada Air Lines, as well as the other services of such a high order that are being operated, had it not been for government policy in connection with this matter. I remember quite well when that policy was enunciated in this house by the former prime minister, Mr. Mackenzie King, and spoken to and supported by the present Minister of Trade and Commerce. I believe that was in 1944.

Mr. King laid down the government's post-war civil aviation policy. I remember in particular the Minister of Trade and Commerce speaking in that debate and referring to some of the unfortunate experiences we had had in this country in connection with the building of our railroads. He referred to the large number of railroads which had been built and the financial problems and problems of capitalization which developed and which led to the eventual necessity of forming the Canadian National Railways to take over a number of bankrupt lines.

I do not think I would be unfair to the Minister of Trade and Commerce if I said that in his speech in 1944 he made it clear that the government did not wish to see that story repeated in the field of aviation. The point was made at that time, with which we agreed and with which we still agree, that because of the nature of aviation, because of the greater attention that has to be paid to the safety factor, because of the greater cost involved in building air lines, because of the greater cost to the public treasury involved in providing aids to air navigation and so on, considerations which had been learned out of the experience with the railroads were even more important so far as civil aviation was concerned.

As the minister will recall, we gave full support to the government's policy as laid down in 1944. Indeed, we have criticized the government only with respect to where it has deviated from its own laid-down policy. I want to say that we feel that the policy of having the main air line in this country a people's air line, owned by the people, is a good one. We hope it will be continued, despite these complaints from the left and from the right of us in this house, and also from certain newspapers of this country.

I move on to say one or two things about the Canadian National Railways. First of all I wish to express my pleasure that agreement was finally reached between the management of Canadian National Railways and the Brotherhood of Maintenance of Way Employees with regard to contracts formerly made with R. F. Welch Limited. Had it not been for the amicable settlement of this dispute I think the minister will realize that there would have been some pretty strong words used in this very debate, particularly in view of the commitment that was made to the committee when it met last year. We are glad to know that that settlement has been reached and apparently it is satisfactory both to the management of the railways and to the Brotherhood of Maintenance of Way Employees. I am happy to express this pleasure, not only because of the particular incident itself but because of the fact that it is an illustration of what can be achieved in terms of morale in this great organization when management will listen to the representations of the organizations that represent its employees.

There is another phase of management-employee relations to which I should like to refer in passing. I hope that attention will be paid to this matter. As the minister knows, he and I have had correspondence concerning a particular case, which I shall not mention in detail here for obvious reasons. I mention this type of case—and I have had others similar to it—because it seems to me there is an element of unfairness, very real unfairness, in the way in which the Canadian National Railways, like some other employers, I freely confess, adds further punishment to employees who have already been punished as a result of some misdemeanour. I have in mind other cases than the one to which I have just referred, where employees, to my knowledge, have been found guilty in the courts of some offence. I think of one where apparently the offence was not too serious, because the sentence was only a $10 fine. Nevertheless, in that particular case, because that employee had been found guilty of an offence under the Criminal Code, he not only had to pay the penalty prescribed by the court, but he lost his job with the Canadian National Railways.

Mr. Diefenbaker: What was the offence?

Mr. Knowles: That employee also finds it difficult to get other work because, when he applies for other employment, he is asked where he worked last and why he left. When he tells the story it makes it difficult for him

to secure other employment. However, I am even more concerned—and I note with appreciation the interest of my hon. friend from Prince Albert—about a case in which an employee had charges laid against him but, as a result of two jury trials, was found innocent. Yet this employee, despite the fact that he was found innocent of the charges made against him, by the courts of the land, was nevertheless dismissed from the employ of the Canadian National Railways.

The letter of dismissal referred to this employee as having involved the company in unfavourable publicity, but I submit that the whole thing seems extremely unfair to the employee in question. This particular employee was suspended at the time the charges were laid against him. He was therefore technically an employee of the company from that date until the two trials were over. After the trials were over and he had been found innocent of the charges, he was dismissed from the employ of the company, and the dismissal was made retroactive to the date upon which he had been suspended. On that basis he not only loses his employment but he loses his wages for that considerable period of time when he thought he was an employee under suspension. One can imagine the difficulty he has in getting other work. It seems to me that the whole policy of the company in matters of that kind—because I understand the company works under iron-clad rules it has laid down—should be re-examined.

Mr. Diefenbaker: Could the hon. gentleman say what those charges are, without identifying him, because that rather alters the situation unless they have to do with offences committed during service and while on service?

Mr. Knowles: The charges to which I am referring in the latter case were one of stealing company property and the other of being in possession of company property.

Mr. Diefenbaker: What was the earlier case, the $10 one?

Mr. Knowles: The $10 case is one the details of which I would prefer to convey to my hon. friend privately. The point I am making with regard to the case where there were the two jury trials is that the man was found innocent on each charge by two separate juries and I am satisfied that he was innocent. The case is now being considered by the law officers of the Canadian National Railways as to whether the man has a claim to his wages during the period between the date when he was suspended and the date when he was dismissed. That matter, as I say, is being threshed out between the employee's lawyer and the management. It seems to me that even more than the question of paying this man for this period of time is at stake. As I say, I do not wish to mention the man's name or any other particulars of the case because I cite this not only on his behalf but because I feel that this policy of giving employees two or three extra forms of punishment might well be reviewed, particularly where crimes might be found to be not too serious, and especially where a man is found to be innocent.

Now I turn to the subject which I indicated at the beginning is my main concern in rising at this time. That is my concern that nothing has yet been done by the Canadian National Railways to augment the pensions of its retired employees, particularly that large number who are still receiving only $25 a month—let alone a large number who are receiving very little more than that. The order paper has on it questions of mine to bring the information up to date as to the numbers of retired employees receiving pensions in various brackets. Those questions, although they have been on the order paper for some considerable time, in fact since January 11, have not yet been answered, but I know from experience in former years that as a rule we get well into the month of March before that information is brought down.

Nevertheless, from answers I have obtained in former years, it is clear that there are still about 3,200 retired employees of the Canadian National Railways who are receiving pensions of only $25 a month. There are eight or ten who are receiving pensions of less than that figure. In addition, there are another 3,700 employees whose pensions are more than $25 a month but less than $40 a month. That adds up to something over 6,900 retired employees who are receiving pensions of less than $40 a month. That figure of 6,900 is about 36 per cent of the total of some 19,000 retired employees of the Canadian National Railways.

I know that, once we get into this, the minister and I can rehash the arguments which we have had back and forth for a couple of years, not to mention the arguments I had with his predecessor across a number of years. It seems to me that the time has come when the minister should stop looking at this as just a repetition of the same old debate the hon. member for Winnipeg North Centre brings up, and look on it rather as an issue which should be faced and settled. I asked him on January 26 this year, as recorded in *Hansard* at page 562, this question:

Mr. Speaker, may I direct a question to the Minister of Transport? In view of the action of the

Canadian Pacific Railway in increasing its minimum pension, effective next week, to $60 a month at least to the age of 70, does the minister not think it is time the Canadian National Railways raised its minimum pension from its present figure of $25 a month?

The answer the minister gave on that occasion was as follows:

My attention has not been drawn to the action taken by the Canadian Pacific Railway, and I shall certainly not express any opinion on it until I find out what that action has been.

I had hoped that within a few days the minister might have informed himself of what the Canadian Pacific Railway had done and that he might have made a further statement. Maybe he is holding it for today. If so, I hope it will be a favourable reply. As the minister can well imagine, the day may come when some of us in the house may have something to say about the changes made by the Canadian Pacific Railway. They are not all that could be desired. There is room for some real improvements in their plan. In particular, I would emphasize that, although the Canadian Pacific has provided that all its retired employees shall receive a pension of not less than $60 a month, that obtains only until the age of 70. At the age of 70, I regret to say, the Canadian Pacific pension in all cases reverts to whatever pension the employee would have had but for the supplement added by this recent announcement.

I emphasize the fact that the Canadian Pacific Railway is doing something here which is more than was involved in the specific contractual arrangement between the company and the employees. That has been done in many jurisdictions where pensions of retired employees have been increased. I emphasize that because one of the points the minister and his predecessor have tried to make is that the pension these men are now receiving is in pursuance of the contractual arrangement that existed between the railway and the workers. In the meantime, Mr. Speaker, since these alleged contractual arrangements were entered into, conditions have changed. The cost of living has gone up, the standard of living has gone up, the productivity of the nation and of a railway such as the Canadian National has increased, and it seems to me that Canadian National Railways as a good employer has a moral obligation to these retired employees.

I urge it upon the minister as strongly as I can that he should give consideration to this matter. After all, we are impressed with the way in which the minister has taken hold of his department. He has now been with us for a couple of years or more and is no longer a novice. He no longer has to do only the things that were done by his predecessor. He is a full-fledged minister now, and I suggest it is time that he himself took a personal look as a human being at this problem and came up with an answer to it. If he would like to do so on some occasion we could have a discussion as to ways and means whereby this matter might be dealt with, but the first concern, of course, is that there be a will to deal with it, and to us it is a matter of real regret that as yet neither the minister nor the management of the railways have shown any real concern for the position of these retired employees.

Let the minister not come back and say that the plan so far as those who are working is concerned is better than it was. That is true. It has been improved immeasurably, but by and large that does not help men retired when the pensions that they received were smaller. It does not help at all those who get only $25 a month. I know the arguments about the difference between the contributory and the non-contributory plans, between service pensions and the pensions of other categories, but I submit that whatever argument may be made about the contractual arrangement the Canadian Pacific Railway has given at least a partial answer to that because, as I say, that railway has made this slight improvement.

I repeat what the Canadian Pacific has done. It has provided that any retired employee, whose pension arising out of his contractual arrangement is less than $60 a month, will have that pension increased to the figure of $60 a month at least until such time as that employee reaches the age of 70. As I say, there are some other details about it that we may have to discuss in the house later this session, but for the moment I simply make the point that surely the Canadian National should be able to do just as well as the Canadian Pacific with regard to its retired employees.

I am happy, Mr. Speaker, to have included in my remarks today a few words of pride and commendation, of pride in these crown corporations and commendation for what the government has done. I am happy to have included an endorsation of the government's policy with regard to civil aviation. But the other side of the coin is that we feel resentful and annoyed over the way in which consideration of this important matter has been put off and off. I hope that the present Minister of Transport, as a human being, will give it serious consideration and will do something very soon to raise the pensions of retired C.N.R. employees, particularly those whose pensions are in the lower and the middle brackets.

Mr. Donald D. Carrick (Trinity): Mr. Speaker, I shall detain the house for a few minutes. I rise simply to clear up one point. The suggestion has been made by several members this afternoon that the employees of Canadian National Railways and Trans-Canada Air Lines were somewhat impatient with the committee, were in a hurry to get back to their work and, as one member said, did not desire to waste their time on a committee of parliamentarians. I should like to express my dissent from that statement. I had the privilege of serving on the committee last year, and I think I express the opinion of a great many members of the house when I say that the officials of these two companies showed the utmost courtesy to the members of the committee and gave us no indication at any time that they were not willing to stay just as long as we wanted and give us whatever answers were requested.

I do recall that what happened was that last year we considered whether or not the committee would sit in the evening and let some of the officials of one of the companies return home the next day or whether we would not sit and would require them to come back the next day. The committee decided to sit that evening until eight or nine o'clock, which in my opinion was the proper decision. I merely want to express my dissent from any view that the officials of these companies did not give us the fullest co-operation or were not willing to spend all the time required with the committee.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not want to hold up the house too long on this occasion, but there are a few words I should like to say. The hon. member who has just taken his seat tried to imply of course that the hon. member for New Westminster had become impatient with some of the employees of Canadian National Railways because they desired to get home in a rush but such was the case. Let me say that I too am a little bit resentful of committees being rushed—I use the word "rushed" advisedly—and being asked to sit in the evening in order to speed up hearings so that civil servants or employees of companies can get back on the job. In saying that I am not inferring anything against the employees of those companies. What I am referring to, and what the hon. member for New Westminster referred to, is the fact that after a committee has sat all morning and all afternoon it is going a little bit too far for the members to be asked to sit again in the evening. The work of the house should be arranged in such a manner that it will not be necessary to crowd committee work in that way.

Mr. Carrick: May I ask the hon. member a question?

Mr. Johnston (Bow River): Yes.

Mr. Carrick: Would it not be fairer for us not to blame the officials of the railway and airline companies for being unwilling to stay when actually what happened was that there was a difference of opinion among ourselves with respect to whether it was desirable that we should sit? Certainly the reflection was cast on the officials of these companies that they were unwilling to stay, and I think the hon. member will agree with me that was not the fact at all.

Mr. Johnston (Bow River): I would agree that the hon. member for New Westminster (Mr. Hahn) did not give that inference. If he did so, I am sure he did not intend it to be so. He was not throwing out any insinuations against the employees of the different companies. But the fact remains that such was the condition in the committee that we were obliged to sit in the evenings after a long hard day. That is something that should not be required.

Mr. Marler: That was the decision of the committee.

Mr. Johnston (Bow River): That was the decision of the committee, yes; but the hon. member for New Westminster was pointing out that the business of the house should be so ordered that such a thing would not be required.

I am glad that the minister has on this occasion brought forward this resolution to set up this committee to deal with the Canadian National Railways, the Canadian National (West Indies) Steamships and Trans-Canada Air Lines. We believe that is the proper thing to do; I refer to the setting up of the committee. I was a member of that committee last year and I think it did excellent work. I want to say that I think the employees of these different companies were co-operative in every sense. I also think the officials of the department were quite co-operative. But in saying that I would not want hon. members to think that we should again so arrange our work that we would be rushed, as we were in some instances last year.

The hon. member for Winnipeg North Centre (Mr. Knowles) indicated a moment ago that whenever the question of public ownership was raised, the Social Credit members and the Conservative members were all out to scuttle such an idea. Of course I want to disillusion the hon. member in that regard. That statement is not according to the facts.

Mr. Knowles: I should be delighted if you could do so.

Mr. Johnston (Bow River): The stand that we take—particularly the Social Credit members—is that we are not against government participation when there is free competition. I think we in the province of Alberta have probably taken the lead—and successfully so—in having the government enter business in order to protect public interest. For example, I might mention the treasury branches. They are competing on even terms with all other businesses of that nature. We have the government telephones. We are not those people who object to the government in business. What we object to most strenuously, however, is the government setting themselves up in a monopolistic position and then saying to all other comers, "You must stay out, this is a government monopoly". We have that thing in the Canadian National Railways and in respect to their hauling of freight. They definitely object to having the truckers on an equal basis. The Canadian Pacific Railway particularly is the one that is carrying the ball in this respect. They are the ones who are raising the objection. I must say that I am a little bit surprised that Canadian Pacific Air Lines are now complaining about the Trans-Canada Air Lines having unfair competition, because the Canadian Pacific Railway are the very ones who have been so strenuously objecting to the trucking competition. I make haste to say that I do not agree in either case. I do not think that Trans-Canada Air Lines should have a monopoly on air transport and I certainly say that the Canadian National and the Canadian Pacific railways should not have a monopoly when it comes to the hauling of freight.

Those are things that I think we can very well discuss in the committee. That is one reason that I am glad this committee is being set up. As the hon. member for New Westminster has pointed out, one of the great dangers is that, by the government continually interfering in business, they are forcing this country into a position of national ownership. Just at the moment I cannot think of a better example close at hand than that of the government interference with the construction of the trans-Canada pipe line until they have got it into such a mess that now they too will have to come in again and probably nationalize part of that line.

Mr. Knowles: It should have been publicly owned from the start.

Mr. Trainor: That is what you say.

[Mr. Johnston (Bow River).]

Mr. Johnston (Bow River): If the government would keep their nose out of these things, it would not be necessary to have a situation of that kind. But then again, Mr. Speaker, that matter does not come under this resolution. We shall have something to say about it when the time comes.

Mr. Knowles: Tell us what Mr. Tanner thinks about government or private enterprise.

Mr. Johnston (Bow River): I am not discussing Mr. Tanner's views. That is far beyond me. I have my own opinions in these matters. We have our own policy in regard to them and that is what we are stating.

There is one other thing that, as a result of the setting up of this committee, we shall be able to discuss; I refer to the business of the Canadian National (West Indies) Steamships. It seems to me that we should be in a position on this committee—and I am sure the minister will agree with this statement—to call all those witnesses that will be necessary to show us why we have not been obtaining our share of the business of hauling freight to the West Indies. I think we have three Canadian National (West Indies) Steamships boats that are participating in that trade. This last year I think we did better than we did the year before. However, I believe there are some places where a vast improvement can be made in the services that are being rendered to the West Indies. If that service were brought a little bit more up to date, I think probably we would get a greater share of that type of business.

I want to see this committee set up, Mr. Speaker. I do not want to be accused of talking it out. I am therefore not going to say more than that when the committee is set up we shall discuss some of these problems before that committee.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, there are just a few references that I intend to make with regard to this matter. When one is not a member of the committee, it naturally becomes necessary for one to present his views at this time. First, I want to thank the management of the Canadian National Railways for what they did in finally arriving at a settlement on February 17 of this year in connection with the R. F. Welch Limited dispute which was brought before the house last year by myself and certain other hon. members and which represented a situation that had to be cleaned up in the interests of the morale of Canadian National Railways employees everywhere in this country. When the matter was raised last year, the attitude of some hon. members in this house was one of qualified ridicule. But in the experience of negotiations that have

taken place in recent months, I repeat what I said at the beginning, namely that public discussion leads to the removal of unfairnesses. This is but another example.

Mr. Speaker: Order. As it is five o'clock, the house must proceed to the consideration of public and private bills.

PRIVATE BILLS

LORINC ORVOS NAGY

The house resumed, from Monday, March 5, consideration of the motion of Mr. Hunter for the second reading of Bill No. 158, for the relief of Lorinc Orvos Nagy, and the amendment thereto of Mr. Regier.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I have no intention of continuing the debate, but I think I ought to sum up what I said the other day. I have checked it in the meantime. It is simply this. It would seem, while not unreasonable, perhaps somewhat unfair if at this point we should postpone the possibility of the applicant having his petition considered by our committee in the House of Commons. I realize that the hon. member who has moved the six-months' hoist may very well feel that he, having studied the evidence, is firmly convinced that under no circumstances should the petition be granted. That is a matter of judgment that he has a perfect right to make. On the other hand, I think the house would normally expect to get the opportunity of having the evidence considered in our committee, and I must say that I hope the house would vote accordingly.

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

Amendment negatived on division.

Mr. Speaker: Is it the pleasure of the house to adopt the main motion?

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, before the main motion is decided I should like to make a few remarks. I abbreviated my remarks the other evening to oblige the Minister of Finance in the hope that we might reach a decision before six o'clock. But since that was not possible, and there are a number of hon. members present who were not present on Friday, I should like to review very briefly this case, which, as I said the other day, is the first contested case which has reached us this session.

As my colleague, the hon. member for Burnaby-Coquitlam (Mr. Regier), mentioned, this case involves a Hungarian couple who were married some 29 years ago. There is one 14-year-old daughter involved. If this divorce is granted the father will be relieved of his responsibility to support his wife and daughter.

Apparently at one stage the petitioner signed some document that appears to be a mortgage of about $7,000, which was to be paid in monthly instalments of $100 provided that his wife left. That is not too clearly established. As my colleague mentioned, these people are not able to speak English too well. It appears that there was some difficulty in understanding the questions, and the answers were not always quite to the point. The lawyer representing the respondent tried to establish the fact that these payments of $100 a month were made on the condition that the wife leave the domicile. Eventually she did leave and the payments of $100 a month went through for some 10 months. Then the petitioner's lawyer advised his client against continuing those payments, and apparently a letter was written suggesting that if the respondent returned she and the daughter would be permitted to come home. The petitioner was examined by the counsel for the respondent as follows:

> Q. You refer to a housekeeper. Is it a male or female housekeeper?
> A. Well, it is female housekeeper.
> Q. You describe her as a housekeeper?
> A. She work for me with money. I paid her $50 a month.
> Q. Have you any receipts for that?
> A. Me not need any receipt for that.
> Q. Then you cannot prove or establish that you did pay any money at all?
> A. Well, sure. Well, she was prove it. I not call anybody when I pay her.
> Q. No. You had no witnesses and no evidence that you pay her?
> A. I told the truth.

There was not any proof that this housekeeper was paid. Then, there were some questions about the living quarters. The man was asked about his house. He said there were three rooms and a kitchen. After a little while it turned out to be four rooms and a kitchen. According to the evidence, the petitioner slept in the dining room on a couch and his housekeeper had a bedroom which could not be entered except through the dining room. The petitioner's clothes were kept in this bedroom. That was the evidence submitted. The counsel for the respondent went on to say:

> I do not want to elaborate on this point but the fact remains there is a woman living in the same flat for some reason.

He went on to point out that this is something which should be noted by Their Honours the senators. The chairman, Senator Ross—I may say that I had very happy associations with Senator Ross when he was a member of the House of Commons; he sat on

a different side of the house and we differed in our opinions at times—said:

I do not think the inquiries you have been following are very material because the petitioner is not on trial here. The question is not whether or not he committed adultery. The question is whether or not the respondent committed adultery.

Counsel went on to say:

With your permission, Mr. Chairman, I thought it was a valid defence on the part of the party who may have committed adultery—who is alleged to have committed adultery, if the man who is alleging it, is himself or is, as he suggests, living with another woman. I merely wanted to bring that forward.

The respondent went on to say that she had three more witnesses, and then counsel for the petitioner took exception and said:

But you should have somebody to testify here.

Here is a woman who is working for $21 a week washing dishes. It was not possible for her to bring a lot of witnesses to Ottawa to defend herself. Then Senator Ross said:

I probably went too far. If the petitioner has been guilty of misconduct, it is a discretionary matter for us to refuse the divorce. Perhaps I went too far in my statement.

Later on the counsel for the petitioner, in reviewing the payments of $100 a month, mentioned what I mentioned previously, namely, that payments were going forward to this woman who was living in Ontario. He said:

And, he stopped making the payments in the first place according to my advice because the wife cannot be given anything in the form of a mortgage under the laws of Quebec.

Therefore, these payments were discontinued. Then, counsel for the respondent pointed out:

The idea was that the man insisted she leave, at least that is the idea the contestant will try to establish. It was made when the man tried to insist that she leave the premises.

She did leave. Counsel for the respondent says, at page 16:

He says it is to keep his wife and I will try to prove it is just the opposite conclusion that instead it gave me the conclusion he was willing to offer his wife $100 a month provided his wife was willing to move out. You do not keep the wife in the home by consecutive monthly payments of $100. The point is, as you so very aptly put it, is for the courts to decide on any property issue. It is just I wanted to challenge the suggestion put forward by the witness.

Then, the investigators gave evidence, and as usual there is a good deal of contradictory evidence given by them. I suggest that hon. members have a look at it. When the respondent was being questioned, the counsel for the petitioner was a bit annoyed. At page 22 of the evidence he is reported as saying:

What has it got to do with this hearing supposing her husband did beat her? The proper thing to do would have been to take a separation action before the court in Montreal.

[Mr. Nicholson.]

There was some question about the beating of the petitioner and the petitioner's counsel challenged it. On page 29 the counsel for the petitioner said:

Q. You heard your wife state you beat her?
A. I never beat her in my life only when she tried to come back when you send her a letter to come.

Later on when being examined by the counsel for the respondent, at page 30, he admitted:

I thump her on that time.

The questioning continued on page 31 as follows:

Q. What did you say?
A. Nothing. I just told her go out from my house.
Q. Was that the time you hit her?
A. Yes, I hit her.

Although at one point he stated very definitely that he never beat his wife in his life, after a little mature thought he did admit that he had beaten her.

Now, Mr. Speaker, I do not think it is necessary for me to establish that either of these two parties is a saint. I do not think we have black and white in these cases. However, I do not think we are justified on the basis of the evidence before us in relieving the husband of the financial responsibility to care for his 14-year-old daughter and his wife. If the respondent had been seeking a divorce I think there would have been no question about its going through.

It seems to me this case is very similar to the one we handled last year, No. 490, which passed at this stage and after being reviewed by the committee on miscellaneous private bills it was agreed to report the preamble thereof, not proven, on the ground that the committee was not satisfied that the petitioner was worthy of having his petition granted. I should think that would be the treatment this house should give to this petition in connection with Bill No. 158.

The house divided on the motion of Mr. Balcom (for Mr. Hunter) which was agreed to on the following division:

YEAS

Messrs:

Aitken, Miss	Cameron (High Park)
Anderson	Campney
Applewhaite	Cardiff
Balcom	Carrick
Bell	Carter
Benidickson	Cavers
Bennett	Charlton
Blair	Churchill
Brown (Brantford)	Crestohl
Brown (Essex West)	Decore
Buchanan	Diefenbaker

Drew
Fairclough, Mrs.
Fairey
Fleming
Forgie
Fraser (Peterborough)
Gardiner
Garland
Green
Gregg
Hanna
Harkness
Harris
Hees
Hellyer
Henderson
Hosking
Howe (Port Arthur)
Howe (Wellington-Huron)
Huffman
Hunter
James
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lennard
Lusby
MacKenzie
MacNaught
Macnaughton
McBain
McCann
McCubbin
McCulloch (Pictou)
McMillan
Mang
Marler
Michener
Mitchell (London)
Mitchell (Sudbury)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nickle
Nixon
Nowlan
Pallett
Pearkes
Pearson
Philpott
Pickersgill
Pommer
Prudham
Purdy
Rea
Reinke
Richardson
Robertson
Robinson (Simcoe East)
Rowe
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stanton
Starr
Stick
Stuart (Charlotte)
Trainor
Tucker
Tustin
Viau
Weaver
Weir
White (Middlesex East)
Winters—98.

NAYS

Messrs:

Argue
Barnett
Blackmore
Bryce
Bryson
Campbell
Castleden
Coldwell
Dufresne
Ellis
Fulton
Gagnon
Gillis
Hahn
Hamilton (Notre Dame de Grace)
Hodgson
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
MacInnis
McCullough (Moose Mountain)
McLeod
Nicholson
Noseworthy
Patterson
Perron
Poulin
Quelch
Regier
Robinson (Bruce)
Smith (Battle River-Camrose)
Stewart (Winnipeg North)
Thomas
White (Hastings-Frontenac)
Yuill
Zaplitny—39.

Mr. Speaker: I declare the motion carried. This bill is referred to the standing committee on miscellaneous private bills.

FINANCIAL ADMINISTRATION ACT

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

Mr. Raoul Poulin (Beauce) moved the second reading of Bill No. 149, to amend the Financial Administration Act.

He said: This bill, now at the second reading stage, embodies an amendment to chapter 116 of Revised Statutes of Canada, 1952, entitled "Financial Administration Act". Section 33 of that chapter provides:

> Every payment pursuant to an appropriation . . . shall be made under the direction and control of the comptroller by cheque drawn on the account of the Receiver General or other instrument, . . .

The present amendment, while adding section 33a to section 33 already embodied in the act, provides that negotiable instruments referred to in such section shall from now on be printed in both official languages, and it covers all segments of every department and of any crown corporation as defined in section 76 (1) (c).

I have no doubt that the change suggested under the present bill will meet the wishes of the wide majority of the members of the house and prove at least acceptable to the others. In point of fact, the spirit, if not the letter, of the constitution recognizes that this is a bilingual country, and every day we hear outstanding English Canadians uphold that point of view. Common sense also bears out that claim. As a matter of fact, if the constitution recognized, to either of the great races it wanted to bring closer, the right of preserving its language, it certainly put at its disposal the right of using the written language as well as the spoken language. One of the best means of recognizing publicly that right to use the written language is by imparting to it an official place on the bills which pass steadily under the eyes of Canadian citizens—cheques and other similar instruments.

It should be emphasized that there are in Canada, outside Quebec, about one million loyal French Canadian subjects who are entitled to that recognition and who are at home everywhere in Canada, in British Columbia as well as in Nova Scotia, just as English Canadians are at home in Quebec as everywhere else in Canada. For instance, have you pondered over the fact that there are more French Canadians outside Quebec than the aggregate population of any of the three prairie provinces, almost as many as in British Columbia alone, or in the three maritime provinces combined? Such a group is entitled, for that matter, to some consideration and to an official recognition of its rights. Who would dare submit such a racial element makes up a class of citizens less commendable than the others? Why then treat them with less care and on an inferior basis?

Besides, what we are asking in this bill is directed only to the federal administration. Nobody has ever thought of asking provincial

administrations to go so far, and I know of none other than the province of Quebec, which in that field does not rest content with following the letter of the constitution but goes far beyond the limit to be reached in abiding by its spirit. The proposition has nothing to do with the private affairs of our people and will never prevent the latter from giving their exchange media the linguistic character of their choice.

A spirit of tolerance and the obvious desire for good understanding which is found in the English Canadian element in this house make up another factor that enables us to hope for the passing of this measure. Of course, there are some snags here and there in some provinces, but I ascribe that situation much more to a lack of information than to intolerance or bad feeling.

In 1952, the then Minister of Finance, the Hon. Mr. Abbott, promised to a delegation of the French Life Council that as soon as circumstances should warrant it all cheques would be bilingual right across Canada. About the same time, the present and genial Minister of National Health and Welfare (Mr. Martin) stated at a public meeting in Windsor that nothing prevented the issuance of bilingual cheques for Canada as a whole, at least in regard to family allowances.

As far as the present Minister of Finance (Mr. Harris) is concerned, for whom I have great respect, he wrote on November 8, 1954, in answer to a resolution the French Life Council had sent to him about the bilingual cheques issue:

> Surely you will agree with me about the swift extension of bilingualism to other parts of the country now going on. I do not have to tell you that is being made with my full support, and, furthermore, it took place without bringing up undesirable controversies. I am positive you will hope with me that the trend will be maintained.

I also hope he did not change his mind and that the present bill will provide the minister with an excellent opportunity to carry out his wishes, the more so since he no doubt needs the warm support of the French element in this country, since one points to him as the potential successor to the Prime Minister at the head of the Liberal party. However, it is my ardent wish—and I trust, sir, you appreciate how sincere I am—that the problem of this succession will not crop up before quite a number of years.

Finally, we have two precedents on which I might rest to ask for bilingual cheques: money and postage stamps.

In 1934, the Conservative party, which was then at the helm of this country, made a praiseworthy gesture when giving us French money and English money. In 1936 the Liberal government which succeeded them made that piece of legislation still better by giving to the present-day money its final and perfectly bilingual character. Which of those great parties would accept today the disowning of its past and take away from that gesture made years ago its character of magnanimity through refusing to take one more step in the fine direction to which they then turned? With a general election fast approaching, such a stand is certainly untimely.

(Translation):

Mr. Speaker, I should now like to conclude my remarks with a few words in French.

In certain quarters, people contend that there is a fundamental difference between money and cheques or other similar instruments, that money has a permanent character while a cheque's useful life is quite short. May I say in the first place while those cheques are undoubtedly short-lived we keep seeing them continually, replaced as they are by others, and they are constantly in circulation. Because of that uninterrupted circulation, cheques take on the same character of permanency as currency itself. Incidentally, the so-called permanent character of paper money is only apparent, for $1 and $2 bills have to be printed every nine or ten months.

Besides, it is known that as a consequence of the development of financial institutions, and of improved methods of doing business, about 80 per cent of the business carried on by the public at large is done by means of cheques. Those modern means of exchange have therefore acquired a great importance.

I readily admit that, according to the letter of the Canadian constitution, there is no actual obligation to use bilingual wording on cheques any more than on paper money or on coins; on the other hand, it can also be said that there is nothing to prevent it.

It is the common sense of the house and the evident desire of hon. members for fairness, as well as the spirit of the constitution, which brought about the acts of 1934 and 1936, to which I referred a moment ago and which legalized the bilingual wording on money. It is to that same common sense and that same desire of the house for fairness—whose members are no longer the same, but they are no less brilliant and are surely as well intentioned as their predecessors—that I now appeal today in favour of a bilingual wording on cheques and other instruments of exchange.

I also appeal to the tolerance and earnest desire for good understanding which seem to be shared by all members of this house.

I do not see why anyone should oppose this legislation, which would merely do justice to a racial element representing one third of the population of this country, especially one whose ancestors were the very ones who opened Canada to civilization, were its first settlers and who valiantly fought for its defence. After the conquest, they displayed the same enthusiasm, the same courage and the same loyalty toward the country's new rulers as they had shown in their attempt to defend it against them. Those who today live in this beautiful country, whatever their racial origin, are indebted to the French Canadian element for the advantage of being at home here in Canada, and for having escaped absorption by the great republic to the south.

In sessional paper No. 225, dated June 15, 1955, tabled in answer to a question I had put on the order paper, I was told that the St. Lawrence seaway authority issues bilingual cheques all over Canada. With a few exceptions, the Canadian Broadcasting Corporation does the same thing.

I compare those two cases with those of bilingual postage stamps and money, and I ask the following question: has any Canadian suffered from that new situation? Has he been deprived of any of his rights or privileges due to the fact that the two official languages appear simultaneously on the bills of exchange I have just mentioned?

If an hon. member could rise in this house and describe a single case of this type, I would be prepared to withdraw my bill at once.

Far from this being the case, Mr. Speaker, many of the most cultured, learned and prominent people, of whatever racial origin, point out everywhere, in Canada and abroad, the advantages of cultural and racial duality. Now then, the basic vehicle of any culture, and the primary characteristic of any race, is first and foremost the language, spoken and written. Why then should written language in Canada be denied all possible chances of demonstrating to the world at large the reality of this highly praised duality?

In closing, Mr. Speaker, I cannot help quoting briefly from an article which appeared on June 17, 1955 in *Le Soleil* of Quebec city under the signature of Gerard Morin. I quote:

> It seems inconceivable that, in the twentieth century, one should still have to fight in Canada for a matter as simple as bilingual wording on cheques issued by the federal government.

I am confident, Mr. Speaker, that this government, being well disposed, will not miss this opportunity to remedy a situation which even its friends consider inconceivable.

(*Text*):

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, as a preliminary point of order, I should like to point out that the bill, while not providing on the face of it for the expenditure of public money, would undoubtedly lead to that result. Whether or not Your Honour has considered that point in this connection, I do not know, but the fact remains that if the bill did become law it would cost us additional money to print on the cheques the other language concerned. I make that point of order for Your Honour's consideration for the moment, and I should like you to consider it before I proceed with what I have to say.

Mr. Speaker: There is no question that the initiative of the Crown in matters of public expenditure must be preserved at all times. As a matter of fact, if the bill were to pass without that point having been raised by the Minister of Finance and it was discovered later that the bill should have been preceded by a resolution, the proceedings on the bill would be null and void. I confess I have not looked at the point. It did not occur to me in any way whatever that there might be some expenditure of public money involved if the bill were to pass. The Minister of Finance, who must know much more than I do about what the consequences might be with respect to the passage of this bill, has said that it would cost additional money, and even if it is very little I would think there is a great deal in what he says. But it seems to me that there have been other bills about which it could have been said than an expenditure of money was involved. I do not want to decide on that basis when, in order to do so, I feel that I am obliged to look at the matter through a magnifying glass.

Mr. Knowles: Mr. Speaker, I wonder if I might say a word on the point of order. I think it is an important point. It relates not exclusively to my hon. friend's bill but to other bills that other private members might seek to introduce. I would ask Your Honour, when you are studying the matter, to consider the headnotes on pages 457 and 459 of Beauchesne's third edition. Both of those are headnotes to rulings by Mr. Speaker Sproule. The one on page 457 reads as follows:

> A bill, which does not involve a direct expenditure but merely confers upon the government a power for the exercise of which public money will have to be voted by parliament, is not a money bill and no resolution is necessary as a condition precedent to its introduction.

Similarly, the headnote on page 459 reads as follows:

A bill designed to furnish machinery, for the expenditure of a certain sum of public money to be voted subsequently by parliament, may be introduced in the house without the recommendation of the crown and without a resolution being first considered in committee.

The point of order has been raised without any warning, as the minister sometimes says to us, so that I have not had the opportunity to search through all the notes I have on the point. However, I have studied this matter rather thoroughly on other occasions and it seems to me that Your Honour should consider whether or not the bill introduced by the hon. member for Beauce (Mr. Poulin) does not come in the category set out by Mr. Speaker Sproule, in that it merely confers upon the government a power for the exercise of which public money might have to be voted later. Surely those two phases are separate. In fact, there have been government bills, which I am sure I could turn up if I had a moment in which to do so, where the same thing develops; that is, where the bills in themselves do not direct an immediate expenditure of money but such money is voted later by parliament. It is an important point. I think the Minister of Finance (Mr. Harris) would agree with me that Your Honour should not be called upon to rule at the moment but should be given time to consider the matter.

Mr. Speaker: I shall be pleased to look into the matter further.

Mr. Thatcher: Mr. Speaker, if you are going to wait until another day to make your decision, I wonder whether I could move the adjournment of this debate. I should like to speak on the subject but there are only two or three minutes left until six o'clock. Therefore, could I make that motion?

On motion of Mr. Thatcher the debate was adjourned.

SMALL LOANS ACT

AMENDMENT TO PROVIDE FOR A REDUCTION IN RATE OF INTEREST

The house resumed, from Friday, February 3, consideration of the motion of Mr. Argue for the second reading of Bill No. 3, to amend the Small Loans Act.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I understood from the sponsor of this bill that, when it was called next, he would drop it having in mind the fact that I have on the order paper a similar bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Assiniboia (Mr. Argue) does not happen to be here at the moment. I certainly do not think anyone else should be asked to speak for him. May I ask the Minister of Finance why he wants this bill to be dropped?

Mr. Harris: It was not that I asked that it should be dropped, but in private conversation with the sponsor of this bill my understanding was that he was agreeable to doing so, having in mind the fact that my bill would go forward to second reading and then to the banking and commerce committee. I may be improperly reporting him, but that was my understanding several weeks ago.

Mr. Knowles: Mr. Speaker, the same hon. member, in private conversation with me, asked whether it was really necessary for his bill to be dropped in order that the government bill be proceeded with. It seems to me that the order of priorities which is set out somewhere in the authorities gives priority to a government bill over a private member's bill. I see no need for my hon. friend's bill to be withdrawn in order that the minister's bill may be proceeded with.

Mr. Harris: I have not the slightest objection. I am only reporting my understanding.

Mr. Knowles: Stand.

Mr. Speaker: Unless there is unanimous agreement that we do not proceed with the resumption of this debate, I just cannot let it stand. You do not let stand the order for the resumption of a debate. I had occasion to say that before. If there is unanimous agreement that we do not proceed, we might be saved by the bell if I speak for another minute.

Mr. Knowles: Carry on.

Some hon. Members: Six o'clock.

Mr. Speaker: Shall I call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

RAILWAYS AND SHIPPING

ESTABLISHMENT OF COMMITTEE ON RAILWAYS AND SHIPPING OWNED, OPERATED AND CONTROLLED BY THE GOVERNMENT

The house resumed consideration of the motion of Mr. Marler:

That a sessional committee on railways and shipping owned, operated and controlled by the government be appointed to consider the accounts and estimates and bills relating thereto of the

Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers, and records and to report from time to time, and that, notwithstanding standing order 67 in relation to the limitation of the number of members, the said committee consist of Messrs. Bell, Byrne, Carter, Carrick, Cavers, Churchill, Dumas, Follwell, Fulton, Gillis, Hahn, Hamilton (Notre Dame de Grace), Hanna, Harrison, Healy, James, Johnston (Bow River), Knight, Langlois (Gaspe), Lavigne, Legare, Macdonnell, McCulloch (Pictou), Murphy (Westmorland), St. Laurent (Temiscouata) and Weaver.

Mr. Diefenbaker: Mr. Speaker, at five o'clock I had just referred to the fact that, resulting from discussions in this house, a change has been made in connection with the company to which I made reference, namely, the Welch Company, that has been a most beneficial one, and one that is deeply appreciated by the employees of the Canadian National Railways.

I wish to refer for a moment to Trans-Canada Air Lines, having regard particularly to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles). He went all out this afternoon and stated that anyone who criticized the operation of Trans-Canada Air Lines was trying to scuttle that corporation. It is not a question of wanting to scuttle the corporation at all. What we of the Progressive Conservative party believe is that the time has come for active competition by private enterprise to be permitted in the operation of air lines. Indeed, we are fortified in our view in that regard by the words of the Prime Minister in a speech made before the air industries and transport association in November, 1953, which were quoted earlier this afternoon. During the period when the Canadian Pacific Air Lines' application to operate a freight service was being considered the Prime Minister said in part, it:—and I merely refer to one or two portions—

> . . . the demands for the services of commercial aircraft should increase to such an extent that increasing competition will be both desirable and beneficial . . .

He also went on to say that in the long run he was not in favour of the perpetuation of monopoly conditions. Well, there can be no justification today for the continuation of that monopoly condition under which Trans-Canada Air Lines operate. I mention in particular the operation of freight transport. The failure to grant a licence to Canadian Pacific Air Lines to operate freight services is holding back to a very considerable degree development in the western provinces and generally throughout those areas of Canada which would be served by the granting of such a licence. I cannot understand the dog-in-the-manger attitude of Trans-Canada Air Lines in continuing, now that it is perfectly established, an attitude antipathetic to competition. There is no reason why competition should not be permitted. It has been denied with regard to freight; it has also been denied to one air line company which desired to operate a passenger transportation service. The time has come to take the hobbles off air development in Canada, to remove the shackles of an outgrown policy that denies competition, and to give Canadians those benefits that competitive enterprise will assure.

In its passenger transportation Trans-Canada Air Lines have provided a high degree of safety, and for that they are worthy of commendation. No one who uses the airways to the extent that some of us do can deny that in too many instances the service bears a resemblance to that expected from monopoly, bureaucratic enterprise. If competition were allowed, the service and the relationship which should exist between the transportation organization and the travelling public would be very greatly improved.

The hon. member for Winnipeg North Centre says that when we take a stand in favour of competition we are out to destroy Trans-Canada Air Lines. Nothing of the sort is contemplated. But surely when a public body has arrived at the point where its service year by year operates almost to the extent of its physical limitations the time has come for active competition.

We in the Conservative party are not opposed to public enterprise as such. There are certain types of industries in the form of public monopolies that can be operated most efficiently as public enterprises; but our experience in Saskatchewan has been this. However desirable the purpose in mind may be, government in competitive business does not succeed. We have had various lines of business in Saskatchewan—I am not going into that this evening—but they did not pay taxes. They did not pay interest on their investment, and yet they found it necessary to close down. They could not compete against private industry allegedly charging exorbitant profits, according to the proponents of the government in that province, and yet the government-operated enterprises were so inefficiently operated that they were unable to return a profit.

When one speaks of development, the government of that province had very desirable aims. They thought they could abolish the lessons of arithmetic and change the experiences of human nature that history

reveals. They tried that. However commendable the aim, the achievement was not equally effective. They had that experience when they came into power. At first they said: "We can develop our natural resources in the province under the government and under state ownership". They found it necessary to change and to depart from that policy, and to lay out the red carpet to welcome private enterprise. I say, if the government of this country would just realize that competition cannot do anything but improve the standards of air transportation, they at least would have taken one step toward the achievement of the improvement of air transportation in this country.

I know there are many members on the other side of the house who agree with what I am saying, if they would just express themselves to the same degree as the press records today in Britain the Conservatives are doing in that country. The Conservatives in Britain are placing Sir Anthony Eden in a position where they demand action, disagreeing as they do with certain policies that he has followed, thereby representing in effect the best traditions of parliamentary government. We cannot expect that, Mr. Speaker. If that ever happened in this house the millenium would indeed have arrived in the present generation. If the government would give private members on its side of the house the right to say whether there should be competition in relation to Trans-Canada Air Lines I think I could predict with the utmost certainty how that vote would go. It would go in favour of the adoption now of fair and reasonable competition controlled by the board of transport commissioners in the public interest and assuring an increase and elevation in service to the public which will not be achieved as long as Trans-Canada Air Lines is in the position that regardless of what it does it will be maintained to the exclusion of private interests operating effective competitive lines. Having said that, I want to refer to a matter that was dealt with by the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles: This time you are with me.

Mr. Diefenbaker: Yes. I am not only with you in what I am going to deal with, I was ahead of you in bringing it up. I brought it up as far back as 1946 and I pointed out the injustice that was being done to Canadian National Railways employees who were retired on a basic pension of only $25 a month. That basic pension is today in equivalent purchasing power something like $9 or $10 at the time it was brought into effect. If there is one thing that is necessary to raise the standard of Canadian National Railways service it is that the morale of the employees be maintained at the highest possible level. The morale of Canadian National Railways employees today in most cases is lower than it has been at any time in my experience because the employees feel they are not receiving the consideration they deserve.

One of the things which would assist would be the removal of the present low level of the basic pension. It should be increased at least to $40 a month. That would not be very costly. I am speaking from memory but I believe that pensions today cost approximately 2·7 per cent of the total amount taken in by the Canadian National Railways. The increase in question would be infinitesimal having regard to the total amount of business done and would raise beyond words of description the morale of the employees of the railway company.

There is another thing which could be done. The rules regarding pensions were in effect for many years unchanged. Finally there were reformed or revised rules established within the last three or four years but there are many employees who should be entitled to consideration who find themselves in the paradoxical position of having expected that their disability in connection with the pensions under the regulation would be removed in the revision, only to find they have not been. I suggest to the minister that if he would let it be known to the Canadian National Railways employees across Canada that this committee, which is being set up, would set aside from among its membership a subcommittee to give consideration to the pension regulations in order to remove the anomalies that exist and the injustices that are taking place, he would have gone a long way towards restoring and increasing the morale of these employees.

As a matter of fact the regulations with regard to the continuity of employment are totally at variance with reality. There are many cases of individual employees who should be entitled to longer periods of pension qualification but who are denied the total period they have served because of certain inequities which have crept into the regulations. Another point is that if an employee is out of work and goes on unemployment insurance there is a break in his employment. The hon. member for Perth (Mr. Monteith) has referred to these injustices over and over again. There is no reason at all why the pension regulations should not be changed in order to provide that, during a period when a railway employee is receiving

unemployment insurance, this period should count in his pension qualification period. This has frequently been the contention of the hon. member for Perth. It is something which represents a real demand on the part of the railway employees of this country.

In summarizing I simply say this. The time has come and it is long overdue when the basic pension of Canadian National Railways employees should be increased. Secondly, I join with my friend the hon. member for Winnipeg North Centre in suggesting to the minister that the Canadian Pacific Railway, a private corporation, having seen fit to make changes such as have been referred to by him in detail, there is no justification for the railway of the people of Canada doing less than its competitor is doing. I also suggest that if the Canadian National Railways is to secure its fair and proper share of the competitive dollar in this country it should certainly do a lot more than it is doing to elevate the standard of its trans-Canada train. It is a fine train but it can be improved a great deal more in order to meet the competition provided by the Canadian Pacific Railway and its trans-Canada train. Too frequently individuals having no preference one for the other take the Canadian Pacific Railway train in cases where the Canadian National Railways train would ordinarily be taken.

Now we pass on to another matter which has to do with the transportation of goods and merchandise. Mention has already been made of the box car situation.

The Minister of Trade and Commerce (Mr. Howe) blandly brushes this aside, saying, there are lots of cars; everything is fine. Within the last week, on February 28, the Saskatchewan wheat pool, a non-political organization, came to this conclusion, as reported in a recent press dispatch:

> Persistent shortages of box cars for movement of grain from the prairies have made deep cuts into the current income of many western farmers.

It then goes on to deal with the situation as it exists. I would point out that the manner in which box car distribution has been made on the prairies would seem to indicate that those in authority on the Canadian National Railways have little regard to the needs of the western provinces. It may be that box car traffic hauling other than wheat is more remunerative, but there can be no justification for the cavalier disregard that has been shown to the requirements of the western provinces and the farmers who inhabit those provinces.

The records show that in a period of five months from the first of August until the first of February on the prairies there were some 32,000 less cars hauling wheat than in the previous year. There has been a near collapse of freight transportation for wheat on the prairies and in large measure this is responsible for the financial condition which exists today. It cannot be offered as an excuse that there was no place to which to haul the grain, because there was vacant storage available running well up to 100 million bushels.

These are one or two matters that I wanted to bring to the attention of the minister. I recapitulate. In so far as railway pensions are concerned, what possible reason can be given to deny the almost universal desire on the part of railway employees to have a reconsideration of the rules governing the payment of their pensions and for the removal of injustices, inequities and anomalies which have crept into the administration of these regulations, as they creep into the administration of all regulations when tested in the light of experience?

If that were given there would be a changed attitude. If the minister would travel incognito across the country on the trains of the Canadian National Railways and ask the employees what they think of the administration as they see it today he would receive a reaction of depressed morale which would be a revelation to him. What I am trying to place before the house at this time is that that state of mind on the part of the railway employees is not conducive to expansion or to securing the largest possible share of the competitive freight dollar.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to take just a minute or two with what seems to me to be an extremely important point having to do with a certain percentage of Canadian National employees whose pensions are totally inadequate to meet the cost of living today. I am not going to go into the numbers of these pensioners because they have been set forth already in the discussion earlier today and there are members on all sides of the house who have brought this matter to the attention of the proper authorities before now. I certainly have done so, not only to the former minister but to the management of the Canadian National Railways.

I submit that there is a special reason why the Canadian National Railways should not fall behind the Canadian Pacific Railway Company in the treatment of any of its employees. I think we all believe in robust competition. One reason why there has been such admirable success on the part of the Canadian National, one reason why the Canadian National has become, not only the pride

of this country in the way of transportation but something that is recognized as one of the world's great transportation systems, is that it has been able to compete at every level with the Canadian Pacific. It seems to me that the Canadian National cannot afford to fall below the level of the Canadian Pacific in the treatment of its pensioners who have too little upon which to live.

I am not as sure as some hon. members on the other side seem to be that the pension scheme of the Canadian Pacific is all that they seem to think it is. I have in my hand here a copy of a brief presented by the Pacific coast C.P.R. pension association in which they press for a basic pension of not less than $75 a month to those under 70 years of age and not less than $60 a month for those over 70 years of age, the idea being that those reaching 70 years of age would automatically receive an extra $40. As I say, I am not quite so sure that the pension arrangements of the Canadian Pacific are as admirable as some hon. members seem to think.

Mr. Knowles: Will the hon. member permit a question? He is referring to hon. members in the plural, but only two of us have mentioned it. Does he not recall that I indicated there were deficiencies in the C.P.R. plan, but that there is one point in it that the C.N.R. might take into consideration?

Mr. Philpott: I say that the time has certainly come when the Canadian National should examine this important matter in order to give justice to those who bore the burden of making that railway a success in past years.

There is one other consideration I should like to advance. These people constitute a minority, but their number is considerable. Some of that minority made up of former Canadian National employees who are drawing such a meagre pittance in the way of pension are at that low level of pension because of their war service. In other words, their war service made them ineligible for an adequate pension because of the salaries and wages they had received.

I wanted to add my voice to others who have spoken in the house to say that the Canadian National must compete with the Canadian Pacific on every level. This publicly-owned system of which we are all so proud should never fall below its privately-owned competitor in its humanitarian and just treatment of its former employees.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, since no mention has been made of Canadian National (West Indies) Steamships Limited may I say that I hope this year the committee will give its usual close attention to this phase of its inquiry. Last year there was considerable discussion of the West Indies fleet and while we did get some information I felt personally that a definite statement of policy should be made by the minister on behalf of the government as to future plans for the fleet.

We had laid before the committee careful plans for the railway itself in the way of new cars and new facilities, but as far as the West Indies fleet was concerned that was left on the same old year to year basis. I suggest that that is unbusinesslike and uneconomical.

We have had examples during the past year and recently of new demands for service, particularly on the east coast where there is a need for refrigerator ships. This type of service is necessary if our apples and fish are to compete in the West Indies market. Then in addition there have been demands generally for an efficient merchant shipping fleet. With this in mind I hope that this year we will have some statement about the future of this fleet.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, it seems to me to be most fortunate that the debate on this resolution follows the debate of yesterday on the development and decentralization of industry in which transportation plays such a vital role. In his excellent contribution to yesterday's debate my friend and colleague, the hon. member for St. John's East (Mr. Fraser), showed that the economic life and welfare of our province is completely dependent upon our means of transportation. As the main transportation system of Newfoundland is government-owned, I feel I should intervene in this debate to carry on where my hon. friend left off yesterday and develop this theme a little more fully.

It is evident that we must plan now for the future. Time flies very fast and the future comes upon us almost before we are aware of it. The construction of the great St. Lawrence seaway and the setting up of the Gordon commission has shown that we are very much alive to this fact. In no part of Canada is planning for the future more urgent and more essential than in Newfoundland, because not only must we close the very substantial gap between our standard of living and that of the mainland of Canada, but we must also at the same time make confederation an economic reality. At the present time confederation is merely a political fact. It will become an economic reality only when Newfoundland has been fully integrated into the Canadian economy.

As we project ourselves 20 or 25 years into the future, we see that we can expect

to have a population of from 700,000 to 800,000 people. The resources of our provinces must therefore be developed to provide jobs and wealth that will support these 800,000 people with a standard of living comparable to that which will obtain on the mainland 20 years hence. The distribution of that population will be determined largely by the distribution of the natural resources that are to be developed. Transportation will therefore play a vital role.

Three questions naturally arise. First, is our present system of transportation adequate to the task that it will be called upon to perform? The second question is: If not, is it capable of being transformed and made adequate through improvement? The third question is: If this is impossible, what should be done?

In my opinion, the present system is not adequate and can never become adequate to the task of integrating the economy of the province of Newfoundland with that of the mainland of Canada to such a degree as will permit the province to assimilate and support 800,000 people in the next 25 years. The reason for this appears to me to be very simple. Our present transportation was never intended to do that job. It was not built with that in mind, and therefore it cannot be satisfactorily adapted.

During the eighteenth and nineteenth centuries, Newfoundland developed as an economic sociological adjunct of Great Britain. People settled in St. John's and along the northeast coast, and all the large settlements had direct ties with the west of England. During the period of 1900 to 1950, these ties with the old country gradually weakened, and along the south and west coasts there began to develop ties with the United States and with the mainland of Canada. St. John's, however, during that period, retained and partly strengthened its position as the economic hub of our province, particularly when a tenuous system of land transportation began to develop with the opening of the railway and the building of the road system.

That was all right as long as Newfoundland was looking eastward. With confederation, however, have come modifications of our channels of commerce. Trade with mainland Canada increased from $40 million in 1939 to over $150 million at the present time. St. John's, which for centuries was the front door and the principal exporting and importing centre, has now become the back door of our island. Instead of being our nearest point of contact to the country with which we have most in common politically and economically, it has now become our most inaccessible point in the whole province from the point of view of our new political and commercial ties, which have resulted from confederation.

Like Gaul, Newfoundland is divided into three physiographic units, each of which has some important subdivisions that have developed more or less as economic entities. The first of these units may be called the west coast area, which can be represented on a map by a line drawn from the bottom of La Poile bay on the southwest coast to the bottom of Green bay on the northeast coast. The second unit is the central portion of the island, which lies east of the line I have just described to the isthmus of Avalon. The third unit is the Avalon peninsula itself.

The economic centre of the west coast area is Corner Brook, which with its main industry dominates and at the same time provides the hub of the economy of this region. An important subdivision of this area is the St. George's bay area, which stretches south far enough to include Port aux Basques. The importance and independence of this subdivision has been accentuated in recent years by the United States defence installations. This whole unit has developed an economy which to a large extent is independent of the rest of the province. The high and rugged land stretching from La Poile to Cape St. John makes the development of a transportation system between the west coast and the rest of the island very difficult and most costly.

In the northern part of the central portion, the economy is dominated by the Labrador and inshore fisheries, by the sawmill and paper development at Grand Falls and by the mining operations at Buchans. Here again there is a large measure of independence from St. John's.

Mr. Speaker: Order. It seems to me the hon. member is covering much more territory than is required for the purpose of discussing the merits of this motion.

Mr. Carter: I am sorry, Mr. Speaker, if I have gone outside the limits of this resolution. My point was to lead up to the economic facts which must be taken into consideration if a suitable system of transportation is to be developed.

Mr. Speaker: I think the hon. member will agree with me that, once this resolution is adopted and the committee is set up, the committee will not have the authority to establish railroad lines.

Mr. Carter: Thank you, Mr. Speaker. Before I conclude may I say that my purpose in intervening was to emphasize one point,

namely, that a totally new concept of transportation in Newfoundland, something radically different from the present system, is necessary. This is something which Canadian National Railways must take into consideration in the future because it involves the question of whether they will continue to spend further moneys, and they have already spent a great deal, in developing a system which in my opinion can never do the task that it is called upon to perform.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I listened with a good deal of interest to the remarks of the hon. member for Burin-Burgeo (Mr. Carter) respecting the basic transportation problems of the province of Newfoundland. While he perhaps was not able to give us a complete picture, the fact that the subject has been introduced has prompted me to rise on a specific point to which I hope the committee will give consideration when it is set up. The problem to which I refer is that arising at the present time from the dieselization program of Canadian National Railways in that province. The change in transportation activities is, so I am informed, causing a good deal of concern to the rank and file of the trade union movement in that province and I believe the suggestion they have put forward that consideration should be given specifically at this time to section 39 (1) of the terms of confederation, setting forth certain obligations to be undertaken in respect of employees in that province should receive the attention and consideration of the committee that it is proposed to set up by this resolution. I hope the committee will keep that matter in mind and that serious consideration will be given to that problem by the committee when it reviews the affairs of Canadian National Railways.

Mr. George H. Hees (Broadview): Mr. Speaker, the thing I have never been able to understand is why the government insists on maintaining this T.C.A. monopoly after about 15 years of operation because—

An hon. Member: They are doing a good job.

Mr. Hees: —any businessman knows that in any kind of business where competition is allowed to have full sway, both the public and the competing firms benefit. Everybody wins. The public benefit because they get cheaper prices and better service.

Mr. Hosking: Are you talking about hydro?

Mr. Hees: The competing firms benefit because they are forced to remain efficient and to keep on improving their product and their service. Where monopoly is allowed to hold sway, as it has been for 15 years in the case of T.C.A.—

Mr. Hosking: What is the difference between it and hydro?

Mr. Hees: —then the organization becomes inefficient. Any businessman knows that, and I challenge any member of the house to refute that statement. If monopoly is allowed to be maintained, costs rise and service deteriorates.

An hon. Member: Goodbye hydro.

Mr. Hees: This government, of course, favours monopoly, and the two outstanding examples are T.C.A. and C.B.C. television. If competition were allowed to prevail in those two industries—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I must insist that the hon. member is not to be interrupted while he makes his speech.

Mr. Hees: If competition is allowed to prevail in these industries, and they are industries, then we will see better and cheaper passenger and freight service, and I believe we would also have a better television service. T.C.A. has a very excellent operating record, but I believe that those who run the operating end would welcome competition. I know they would because they would like to see competition force the administrative end to keep pace with the standards that the administrative services of other competing air lines are forced to maintain.

There is no reason at all why the application made some time ago by Canadian Pacific Air Lines to operate a freight service between Vancouver and Montreal should not have been allowed. After all, if T.C.A. is providing a first class and reasonable freight service they have nothing to worry about. T.C.A. has nothing at all to worry about unless C.P.A. can produce a cheaper and better freight service from Vancouver to Montreal. If they can produce a cheaper and better freight service then, of course, it will be up to T.C.A. to improve their service in order to keep pace. That is the benefit of competition.

There is also no reason in the world why Pacific Western Air Lines' application to operate an air bus service between Vancouver and Winnipeg should not be granted. T.C.A. would not have anything to worry about unless Pacific Western Air Lines could provide a better and cheaper air transport service between these two points.

Mr. Speaker: Order. Are these matters not governed by the air transport board, and is

the air transport board one of the agencies to be investigated by this committee?

Some hon. Members: No.

Mr. Hees: What I say, Mr. Speaker, is, let us have competition in our air services in Canada. Let the Minister of Trade and Commerce (Mr. Howe) stop protecting his sacred cow, T.C.A., and let us have all-out competition between T.C.A. and these lines that have applied to compete for passenger and freight traffic across Canada. As I have said, T.C.A. has nothing to worry about provided it can produce better and cheaper passenger and freight services. If it can, it will maintain its position. If it cannot, it will lose some of the business and, as in all competitive enterprise, the buying public will benefit. T.C.A. will benefit because it will then have to improve its services and efficiency to keep pace with those who are taking business from it. That is the essence of the competitive system. That is what makes business on the North American continent in particular such an outstanding example of what free enterprise can accomplish.

Let us have competition in our air services in Canada and put T.C.A. to the test to prove it is as good as it is claimed to be. If it is, then the public of Canada will be very well pleased.

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, the labour situation on the C.N.R. has been getting progressively and increasingly worse. Before coming to the labour situation itself, however, I should like to say just a word more or less in support of and in agreement with all those who have risen during this discussion and spoken with regard to the basic $25 per month pension paid to some retired people of the C.N.R. How this government can reconcile this basic payment of $25 per month for pensions for some people on the C.N.R. is, I would say, beyond the comprehension of every hon. member of this house. Hon. members on all sides of this house agree—and they have expressed their agreement—and maintain, as do we all, that $25 per month paid to these pensioners is totally inadequate and unfair. Based on today's cost of living, this $25 represents possibly $10 in present-day value, taking into account the increased cost of living. Why this government insists on making these pensioners live in penury and hardship is beyond the comprehension of any Canadian citizen who has given time and thought to the consideration of this problem.

On several specific occasions Mr. Donald Gordon has stated in effect that he was out to squash the unions on the C.N.R. and to put them in their place.

Mr. Speaker: Order. It has often been ruled in this house that public servants, such as the one to whom the hon. member has just referred, are not to be accused in words such as those in which the hon. member has just expressed himself. I am not asking the hon. member to withdraw. But having said what he has said I want to ask him, as a new member, to bear this in mind as he goes along, in case he wants to fortify his criticism, and to remind him of what the precedents have been.

Mr. Van Horne: I am glad you mentioned that matter, Mr. Speaker. This government is co-operating to an extent which is known to all the members and to all the employees of the C.N.R. by making sure the unions are denied rights which are guaranteed to unions under provincial legislation in every province of Canada.

Then again, this practice and this system recently adopted on the C.N.R. of having maintenance and repair work done by contract is undermining the whole structure of unionized labour on the C.N.R. It is true that in many instances these same employees who are laid off from their regular employment are given employment by the contractors who have contracted to do the maintenance and the repair work. But these employees who are forced to leave their regular employment and go to work for the contractor automatically lose the long-fought-for benefits which their unions have succeeded in obtaining for them over long years of negotiation. Then again as to these employees, once they are rehired, in many cases there is no longer a question of pensions because the contractors have no unions. There is no longer a question of extra pay for overtime. The employees are forced to accept reduced wages. They are obliged to start all over again at the bottom of organized labour and work up.

If this system were saving money for the C.N.R., we could possibly say that there was some justification for it. In my riding alone, during the past two weeks two major wrecks have been caused. Investigations have revealed that, in the over 15 wrecks that have happened in the past nine months in my riding alone, soft bed tracks were permitted to exist. Maintenance was not carried out in accordance with the long-established practice for good maintenance of railway tracks and so on. The cost of repairing those wrecks, not to speak of the danger to life and limb,

must be so tremendous as to offset any advantage which might have been gained by giving this work out on contract. The primary purpose for my few remarks tonight is to request this government to stop punishing the men on the C.N.R.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, this evening we have heard various members set out reasons why there should be competition among the air lines of Canada. In that regard,—and this is something that I do not think has been mentioned as yet—one good reason exhibited by Trans-Canada Air Lines itself as to why there should be competition generally is that in the routes flown by T.C.A. which are competitive, Trans-Canada Air Lines used the newest, most modern and up-to-date planes. For instance, on the New York run they use the new Viscount on their flights and to the West Indies and overseas they use the new Super Constellation. Those are very fine planes. They are safe and comfortable and their upkeep and maintenance is good.

But as is known by many hon. members of this house, I imagine, on the routes where there is no competition the D.C.-3's are still in use. They are good serviceable planes. They are safe. Like the old Ford car, they take you there and get you back, but it takes an awful long time. The same thing applies on other runs. For instance, on some of the runs I believe to the United States such as the run from Toronto to Tampa where there is no competition, the old North Stars are used. Again, they are good safe planes. We have plenty of evidence of that from their performance but in some cases it takes almost double the length of time to get there. I think that is probably one of the best evidences of the advantages of competition. Where T.C.A. has been in competition with other air lines, they have had to use modern up-to-date planes. They have done so and have still managed to maintain their excellent record of safety of which I am sure everyone is proud. But when they have no competition, they use old planes. I think that is a good example of why there ought to be competition.

I have one or two other remarks to make in this regard concerning Trans-Canada Air Lines. The remark has often been made, "Best in the air, worst on the ground". I think perhaps that is a slight exaggeration but I believe there is some truth in the remark. I think many hon. members have had this experience. I have had it myself. I have received many complaints from constituents who have made reservations on Trans-Canada Air Lines but who, when they go to the airport, after having confirmed beforehand, find from time to time that their accommodation is not there for them, that something has happened, that their seat is not there and that they have to miss the plane and go on the next flight. That has happened. I know it will happen in any business but, from the number of complaints I have received, it seems to happen more often than is necessary.

I should like to make one further remark in this regard, Mr. Speaker, and that is with respect to the time of flights of Trans-Canada Air Lines. Time and again particularly on the overseas and Caribbean service —and I have had many persons come to me about this matter—their flights repeatedly seem to be delayed. If it is a matter of weather, we all understand that is a very necessary thing, or if repairs are necessary to the planes. But from what I have heard, it certainly seems to happen more frequently with Trans-Canada Air Lines than with other air lines. I refer to this matter of flights delayed for no apparent reason. If the aircraft are constantly in need of repair, which is the only apparent explanation, something ought to be done about it. People go to the airport. They phone before they go, and they get there half an hour or an hour in advance of the flight time and have to wait two hours, and sometimes three or four hours, and no reason is given for it. If the delay in those flights is necessary, as it probably is,—there must be some reason for it—all that Trans-Canada Air Lines need to do to placate the ruffled feelings of the passengers is to give a simple explanation over the loud hailer and tell the people that flight 272, for example, is delayed because of temporary trouble to the engine or inability to get food supplies on board, or they are waiting for another aircraft, or something along that line. If that were done it would go a long way to increase good will among the passengers of Trans-Canada Air Lines.

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to say a few words with regard to the Trans-Canada Air Lines. Many planes arriving at the Malton airport are delayed in unloading passengers. In some instances they unload 54 passengers from a North Star and crowd them into one room in the Malton airport like a bunch of cattle. They are taken out of their comfortable seats in the plane and put into this one room, and in many instances they have to stand for from half an hour to an hour while passengers from another plane are going through immigration and are having their baggage examined. I had that brought home to me last Friday night when 54 passengers were

crowded into this one room. Among the 54 passengers were four people who were unable to stand, but they could not get near a seat. There should be some way to accommodate passengers in that room so that they could sit down and rest while passengers from another plane are going through.

I mentioned the Malton airport two years ago. I will say that it has been cleaned up to some extent; it is very much better. That also applies to the Trans-Canada Air Lines facilities at Chicago. But they are not so good at Chicago that they could not be greatly improved.

I agree with the hon. member who has just taken his seat who said that we should have a little more competition with Trans-Canada Air Lines to improve the service. I know the employees of Trans-Canada Air Lines are doing their best, but there are delays. This has been mentioned. I know of instances where parties go to the T.C.A. office at the airport and show their tickets indicating that they have a flight out at such and such a time. The Trans-Canada Air Lines officer replies: "We have no record of it. You will have to wait for another plane or wait until all the passengers we have listed are on the plane and then we shall see what we can do for you". There should be a better method of checking. I was told on one flight that they had many hold-overs. I think they call them "holds". Passengers were listed from other transport companies, and they were holding the space whether people wanted it or not. They did not know, or would not know until the flight was ready to go. There should be a better check on passengers and tickets to see that the people who go to the airport are not held up there, or not told to wait for another day.

Hon. George C. Marler (Minister of Transport): Mr. Speaker,—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Marler: Mr. Speaker, I shall try to deal with the more outstanding points that have come out in the course of the discussion of this motion. First of all, I am sorry not to see the hon. member for Greenwood (Mr. Macdonnell) in his seat. I would like to tell him through you, Mr. Speaker, that I would hope this year to make it possible to furnish the members of the committee with the accounts which they will be expected to consider in the committee, and to do so just as soon as these accounts have been tabled.

I fully appreciate the difficulty of the task of hon. members in going through the rather elaborate accounts of the Canadian National Railways. I think in particular of the results of the fiscal year that is now concluded. I appreciate also the difficulties with regard to the examination that they would naturally wish to make of the budget of capital expenditures for the current year. I do not know how far we shall be successful in doing it, Mr. Speaker, but I shall do my best to try to make the reports available to the members of the committee just as soon as it can be done.

I would like to say also that so far as I am concerned, and so far as concerns the officers of the Canadian National Railways and of Trans-Canada Air Lines, there was not last year, and I am sure there will not be this year, any suggestion on their part that they wish to hurry through the discussion of the matters referred to the committee so that they could get back to other tasks. I think if there is any sense of pressure which is felt by members of the committee it is merely because they also have other duties to perform, and they are anxious to get back to their other duties.

I say this in no critical way whatever, Mr. Speaker, but it did seem to me last year that in the discussions that took place in the committee, in some instances undue emphasis was placed on what I thought were trivial matters when there were other matters of greater importance that might have attracted more attention on the part of the committee. I say that in no critical way whatever. I must say that so far as I was concerned—I was not a member of the committee—I was treated by those who attended the meetings as if I were a member, and I have no complaint whatever in that respect. But I did think there was an insistence on matters of detail which might have been avoided, and which would have left more time for consideration of more important questions in connection with the accounts.

When one realizes that the annual expenditures of Canadian National Railways are in the neighbourhood of some $600 million, it naturally follows that if the committee is to pay much attention to small expenditures the work of the committee will be unending. At all events, Mr. Speaker, I do want to say I hope hon. members of the committee will not feel under any pressure whatever upon my part, or upon the part of the officers of these three companies, to rush through the work of the committee. I hope the committee will take such time as it feels is necessary to carry out the task that is entrusted to it under this motion.

The hon. member for Greenwood suggested this afternoon—perhaps I should not say "suggested" but canvassed—the possibility

that some assistance might be provided to the committee in order to review the accounts. I cannot see how that would be possible, Mr. Speaker; but I would hope that the figures would be presented to the committee in such a way and that they would be explained by the officials of the company so clearly that the members of the committee would fully understand what was covered by the accounts. I feel perfectly sure that if there were any doubts in their minds with respect to any item in the accounts the officers of the companies concerned would be anxious to give the fullest information with regard to them.

The hon. member for Greenwood (Mr. Macdonnell) referred to the difficulty that we have all experienced in the past in comparing the operations of the Canadian National Railways with those of the Canadian Pacific. He referred to the decision of the board of transport commissioners concerning uniform accounts. I think it is probably generally known that a uniform system of accounting was introduced and became effective on January 1, 1956, so that while it will not be possible to compare the accounts of the two railways in respect of 1955 or earlier years, when we have the figures for 1956 it will be possible to make the kind of comparison that many people would have liked to have made in the past.

The hon. member for Greenwood also spoke about the question of the method of financing the expenditures of the railway. I do not think I can say anything useful on that point at this stage of the debate but I do suggest that when the committee goes into the question of the capital expenditures which are proposed to be made during the present year by Canadian National Railways, and when consideration is given to its other financial requirements, the hon. member for Greenwood will obtain the expressions of opinion which I think will enable him to form a judgment as to whether the practices now followed in the matter of financing Canadian National Railways expenditures are sound or whether they should be improved.

The hon. member for Saskatoon (Mr. Knight) in his remarks said that he did not think it was realistic when we insisted upon the necessity of making a profit. I think, Mr. Speaker, that so far as I am concerned I should at once repudiate any suggestion that I believe for a moment that it would be in the national interest for the Canadian National Railways or any other government agency to operate on the basis that it makes no difference whether or not it realizes a profit in its operations. I think that nothing could be more destructive of the morale of the men engaged in the railway operation or of the initiative and determination of the senior officials if the members of this house came to accept the belief that it does not make any difference whether or not the railway operates at a profit.

I think in our system it is essential that all enterprise, whether it be private enterprise or public enterprise, should have before it the goal of successful operation.

As I understand what was done some time before I became a member of this house when steps were taken to reorganize the capital structure of the Canadian National Railways, I assume that one of the principal purposes of that legislation was to restore to the Canadian National Railways the possibility of earning profits and thus in effect of doing the things that are likely to produce profits. I think we will all agree that in a general sense when an enterprise operates at a profit it is rendering service to the people it is intended to serve. I think it would be a great mistake for us to lose sight of the profit motive and to say that merely because this is a government enterprise we do not have to consider it.

The hon. member for Saskatoon also spoke about some quite minor matters; the fact that the Canadian National Railways had not seen fit to buy and operate what are called dome cars, and the fact that its running time between Montreal and Vancouver was, I think, two hours less than in the case of the Canadian Pacific and that as far as—

Mr. Knowles: Two hours longer.

Mr. Marler: I am sorry, I meant that the Canadian National running time was two hours more than the Canadian Pacific. These questions were dealt with in considerable detail in the committee last year. Mr. Gordon expressed the opinion that the use of dome cars was not in the view of the management of Canadian National Railways sufficiently profitable to the railroad to justify the rather heavy additional expenditures they would involve. He explained very fully that while in theory it would be quite possible for Canadian National Railways to equal the running time of the Canadian Pacific between Montreal and Vancouver, the service of passengers at the places en route had to be considered and their convenience was a greater factor than that of merely arriving within the same length of time as the Canadian Pacific itself.

A number of hon. members have spoken about the subject of pensions to retired employees of Canadian National Railways. I have nothing new to say on that subject. I think hon. members will realize that the difficulty of increasing the pension of a retired employee is just as great whether the amount

of pension to which he is entitled is $25 or more. These difficulties apply all across the field of pensions and fixed incomes which come from annuities and other sources where there is no possibility of change regardless of the movement that might take place in the purchasing power of the dollar.

I should like to touch a little bit more particularly on the question of the contrast between pensions of the Canadian National Railways and the Canadian Pacific Railway. I do not wish to do so at any length because I do not think that is a question relevant to the motion. However, as the question has been raised, I do think I should try to dispose of it summarily. The principal point which I think must be borne in mind is that the pension plan of the Canadian Pacific Railway is not truly comparable to that of the Canadian National Railways. The C.P.R. pension plan has been compulsorily contributory since January 1, 1937. The Canadian National pension plan has been voluntarily contributory since January 1, 1935. Under the Canadian Pacific plan the entry age limit is 40 years whereas under the Canadian National plan it is 45 years. This means that a person who worked full time for the Canadian Pacific Railway from age 41 would receive no pension whereas in similar circumstances a Canadian National employee would receive a pension of $25 per month without making any contributions and the amount would be substantially greater if he contributed.

So far as pensions are concerned, Mr. Speaker, I shall merely speak from memory. So far as the Canadian Pacific Railway is concerned it is my impression that its total outlay for pensions is in the neighbourhood of $17 million a year; so far as the Canadian National Railways is concerned, I see from the 1954 accounts that the total expenditure slightly exceeded $25 million.

Mr. Knowles: Has the minister the comparable figures as to the number of persons to whom those pensions are paid?

Mr. Marler: No, Mr. Speaker, I do not think I should answer the question in just that way because I do not think these amounts I have referred to represent the pensions paid by the railways direct. I think these are the contributions of the railways to pension plans and do not take account of the sums that are paid by the pension funds to beneficiaries. I am merely referring to the burden, because that is what it is, of the two railway companies for pensions. As I said, the figure for the Canadian Pacific Railway was approximately $17 million and for the Canadian National for 1954 it was slightly more than $25 million.

Mr. Knowles: It is true, is it not, that the Canadian National is the larger organization?

Mr. Marler: Yes. I think if my hon. friend would do the arithmetic he would find that the two figures bear a very close relationship, more or less, to the total employment in the Canadian National system and the Canadian Pacific system.

So far as Canadian National (West Indies) Steamships are concerned, I should like to correct the impression given by the hon. member for Bow River (Mr. Johnston) that the company is operating only three rather miserable ships. That statement has no relation whatever to the facts of the matter. The company is actually operating eight vessels. I have had the opportunity of seeing some of them and I think they are good ships for their class.

This last year particularly the company has been following a very aggressive policy in an endeavour to secure as much business as it possibly can for its ships. It spent some substantial sums of money on the installation of additional refrigeration equipment in some of these vessels. There was not time to carry out the whole program but I am sure hon. members will be interested to know that this was translated into a demand for space for Canadian fruit, particularly for Nova Scotia apples, which far exceeded what was available. I look upon this as a most encouraging sign. While I have not the actual figures before me for the operations last year I feel perfectly sure that when hon. members see the results they will be gratified by the improvement which has taken place in the last twelve months.

Since the special committee met last year we have been giving careful consideration to what ought to be done with regard to the future operations of the company. I hope that by the time the committee sits it will be possible for me to make a statement on the subject and to set at rest any doubts there may be as to the future operation of this service. I am not in a position to do that today but I hope to be able to do it at an early date.

I should like to say something on the subject of the so-called Trans-Canada Air Lines monopoly about which a number of hon. members have spoken today. I do not think the time available would permit me to deal with this subject exhaustively, but I do not think I should let the occasion go by and leave on the record the view expressed by a number of hon. members, particularly those belonging to the Progressive Conservative party, as to the desirability of establishing competitive services for T.C.A. I take it of

course that when they speak of providing competitive services for T.C.A. they are not thinking only of the routes which at present are being flown by Trans-Canada Air Lines, but are thinking also of competition in what is generally described as the field of regional operations.

In other words, it was not their contention that competition would be provided only in the field in which Trans-Canada Air Lines operate but also in the other fields in which other operators are actually flying routes at the present time.

I have not been a member of this house long enough to have participated in the discussions which took place, I think in 1953, concerning the application by Canadian Pacific Air Lines for permission to operate a transcontinental freight service and consequently I have not firsthand knowledge of the considerations which went into the decision reached at that time. I have tried to approach the subject of competition on as objective a basis as I could to see whether there was some foundation for the suggestion by the hon. member for Broadview (Mr. Hees) that so long as you had competition you would solve all problems, that in effect it would bring cheaper prices and a better service.

I have been thinking about this carefully for quite a long time and I do not think that that would be the result of establishing competition in the fields in which Trans-Canada Air Lines operate. If one takes the trouble to look at the financial results of Trans-Canada Air Lines operations for the last two years of 1953 and 1954 he will find that in 1953, after making provision for income tax amounting to some $300,000, there was a net income of $256,230. In the following year 1954 the net income was $496,146.

As those figures more or less follow the pattern of earlier financial statements, I think it may truthfully be said that the T.C.A. is providing service to the Canadian people pretty much at cost. I think if one were to look at the total revenues, which were $62 million odd in 1953 and $68 million in 1954, one would realize that the net income figures which I have just given indicate that there was very little profit on the total operations. I am inclined to think that what was said on the subject of competition by Professor Wagner of the University of Manitoba has been quoted before, but I think it bears repetition. He said:

> Competition is only useful for what it achieves. If it achieves greater efficiency, lower costs and changes and better service, it is an admirable principle to insist upon. But if it achieves over-expansion of expensive facilities with division of the market amongst competing carriers, it will lead to heavy burdens on carriers, shippers, and taxpayers alike.

I am convinced personally that the development of competition on a broad national scale could lead only to one or other of two possible results: either we would be operating Trans-Canada Air Lines at a loss or we would have to increase the cost of air transportation.

Mr. Hamilton (York West): Would the minister tell us if that is the same professor who appeared on behalf of Trans-Canada Air Lines at the air freight hearing?

Mr. Marler: I cannot give my hon. friend an answer to that question because I do not know Professor Wagner. I do not know whether he appeared before the committee. I merely thought that he had expressed an idea rather succinctly and I did not think it was necessary to investigate his background to find out whether the words made sense or not.

As I was about to say, it seems to me that the moment we envisage competition on a broad national scale it will follow that either the T.C.A. is going to lose money, which means that its operations will in fact be subsidized out of the public purse, or if it is to remain in a position of earning a small profit it will have to receive a subsidy, or in the alternative to raise its fares.

I know that a lot of people believe that there is some magic about competition and there is a tendency to look abroad and point to what is happening in Europe. I think the hon. member for Prince Albert (Mr. Diefenbaker) when speaking in the debate on the address pointed to what was going on in Europe as an example of the benefits that flow from competition. But when one casts one's eye around the field of civilian aviation, both in Europe and on this side of the water, one will find that competition is working successfully only where there are fields of large volume, where there are great numbers of people to transport.

I do not want to burden the house with a lot of statistics but I should like to give a few to illustrate the point I have to make. First of all, as regards the situation in Europe, we all know that the countries are relatively small and for the most part they have their own national air lines just as we have in Canada. When we look at the important services in Europe, we find that they are for the most part flown by two carriers. For example, take the service between London and Paris. There is an English carrier, British European Airways, and a French carrier, Air France, but there are no others. According to information given to me, these two services in 1954 carried 415,000

passengers. That is probably the most important European service. The London-Amsterdam service in 1954 carried 149,000 passengers. The figures for the other international routes, which I think are not competitive between air lines of the same nation but between the two nations party to the bilateral agreement, are for the most part a little smaller than that, just as in fact are our international services here when we consider the position of T.C.A. in the trans-border services that we have.

A striking example of competition is, of course, to be found in the United States. There, as some hon. members know, there is competition on the more heavily travelled routes. I am quite sure hon. members would be interested in some of the figures as to the traffic carried. On the route between New York and Chicago, for example, it is divided between four air lines, and the total number of passengers carried in 1954 was approximately 541,000. Between New York and Boston, where the route is divided between, to all intents and purposes, two important lines and one smaller line, the total was 534,600 passengers. Between New York and San Francisco the total was 172,000 passengers.

When we come to the trans-border services, to which one of the hon. members referred a moment ago, we find, for example, that between Montreal and New York the volume is approximately 166,000. Between Toronto and New York it is 129,000. Both of those figures are greater than any traffic between any two cities in Canada. The only two cities in Canada that are worth mentioning in the same range of figures are Toronto and Montreal, the traffic between those two cities in 1954 totalling approximately 100,000. When one has taken away Toronto and Montreal and gets down to considering the others, one finds they are mostly in the five figures. For example, Winnipeg-Toronto is a little more than 32,000; Winnipeg-Vancouver, 10,000. One realizes at once that we are not talking about the same thing in Canada as in the United States when we are talking about competitive services between two air lines.

I had not intended to go into this subject on this particular occasion. I think hon. members know that the Trans-Canada Air Lines are not a part of the Department of Transport, but it seems to me that these figures ought to be given serious consideration when we attempt to appraise the value of competition in the operation of our national air lines. I do think, too, that those who are clamouring for competition ought to realize that, if there are to be competitive services in the whole broad field of aviation in Canada, then it must go not only into the territories served by Trans-Canada Air Lines but also into the regions where there are private lines which other carriers than Trans-Canada Air Lines are flying at the present time.

Another point that I think should be remembered is that it would not be possible to provide the kind of service that T.C.A. is providing to places off the main transcontinental airways if there is to be competition on the national scale to which I have referred. I do not think there is any question but that the good operations such as, for example, between Montreal and Toronto, help to sustain the smaller operations where the volume of traffic is smaller and that, in the absence of something attractive such as I have just referred to, many of the smaller places, though they have airfields, would not be able to get air services at the prices they are now paying.

I think I have covered the main points that have been brought up during the discussion this afternoon and this evening. I have not attempted to deal with a number of topics that I believe can be fully dealt with in the committee itself. I feel perfectly sure that if these questions are raised in committee hon. members who are interested in knowing what are the views of the Canadian National Railways—and I am sure the same applies to Trans-Canada Air Lines—will receive the kind of information that they would consider satisfactory.

Motion agreed to.

NATIONAL CAPITAL PLAN

APPOINTMENT OF COMMITTEE TO REVIEW PROGRESS OF FEDERAL DISTRICT COMMISSION

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

That a joint committee of both houses of parliament be appointed to review and report upon the progress and programs of the federal district commission in developing and implementing the plan for the national capital;

That the members to act on behalf of the House of Commons as members of the said committee be designated at a later date;

That the said committee have power to call for persons, papers and records; to sit while the house is sitting, and to report from time to time;

That the said committee have power to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

He said: In moving this resolution, I should like to express the hope that through this committee parliament will have and utilize an opportunity to examine in detail the progress that the Federal District Commission has been making in developing and implementing the plan for the national capital as well as the programs that the commission has for its future development along the same line.

I think it is appropriate that from time to time parliament should review the developments of and plans for the national capital. Much progress has been made in recent years, which well warrants a review at this time. I am sure all of us in this house recognize the importance of creating a national capital which will be a source of pride and inspiration to Canadians from all parts of the country, a focus and a symbol, if you will, of the things that unite us as a nation.

Parliament has already given tangible expression to the recognition of the importance of doing so, in establishing the Federal District Commission and in providing it with the funds necessary to develop the physical aspects of the capital in keeping with the role which most Canadians wish it to play in our national life. If this parliament is to take its part most effectively in carrying on this great project, we need periodically to inform ourselves of what is being done and what is being planned and to express our views in such detail as seems to us appropriate.

The last committee that went into the general subject was a joint committee of the two houses of parliament, which was established in 1944. It was then to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the federal government and the municipal authorities of this city and their relative responsibilities in respect of the problem.

After fairly lengthy hearings that committee made a number of recommendations relating to the Federal District Commission and its activities and programs and also concerning the annual grants from the federal government to the city of Ottawa. It will be remembered that at that time there was no general legislation providing for grants from this government to municipalities in lieu of taxes, and special grants were made from year to year based upon the circumstances of the time.

Much has happened since that last review. The financial relations with the city have been greatly altered by the enactment and the recent amendment of the Municipal Grants Act under which not only the capital city but many other municipalities throughout Canada receive grants in lieu of taxes which are based on an objective formula applicable everywhere. In June of 1948 parliament established a national capital fund to be expended upon projects for the purpose of developing the national capital and the surrounding area in accordance with an approved plan, and parliament has made appropriations to that fund each year since 1948.

A comprehensive plan for the national capital area was prepared by the national capital planning service under the direction of that distinguished expert on city planning, Mr. Jacques Greber, and was approved by the Federal District Commission. As hon. members who were here then will remember, I tabled copies of this plan in the house on the 22nd of May, 1951. In the meantime the Federal District Commission Act had been revised in 1946 when the commission was enlarged to include members from all provinces of Canada and its powers were extended and clarified. The act was further amended in some particulars in 1951.

I do not think I need to review the various projects that have been put in hand by the commission during this period since the last parliamentary committee was set up. They have all been set forth from year to year in the annual report of the Federal District Commission and these reports will be available to the committee and officers of the commission will be there to explain them and to supply all possible details in connection with them.

As hon. members will remember, it was proposed to set up a committee last year not only to review the activities of the Federal District Commission but also other relations of the federal government with Ottawa and adjoining municipalities. In view of the amendments made to the Municipal Grants Act last year, the government feels that parliament has now laid down a satisfactory framework for municipal grants into which Ottawa and the other municipalities in the national capital area can be fitted and there is no need at this time to ask the committee to review the question of general grants to Ottawa and other municipalities of the district. Consequently it is proposed that the committee this year shall direct its attention fully to the substantial work of the Federal District Commission and the relation of this work to the activities of the municipal and provincial authorities in so far as they bear upon it.

I will not endeavour to go into the substance of the programs of the commission

or the problems which confront it. It may be remembered that I made a rather lengthy statement on the 27th of July of last year at the time the estimates of the Federal District Commission were before the house, and in this I endeavoured to provide information for hon. members and others outside the house who were interested in these matters. I directed attention to certain problems to which I thought the committee might usefully devote some attention.

When the committee is organized the chairman of the Federal District Commission and the officers of the commission's staff will be ready to provide detailed information with regard to what has been done and the plans that are being considered for the future. If the committee so desires, it will be possible to supply the committee not only with an oral presentation but with written material, various maps and charts and perhaps even a model to illustrate the development of the capital and the plans that are being made to further that development.

At this time I should like to take this opportunity to express again the government's appreciation of the work done by the 20 public-spirited citizens who constitute the Federal District Commission. Half of them are drawn from the various provinces, one for each of the ten provinces, and the other ten from the capital district itself. They give a good deal of time and effort to this work which they, I think, rightfully regard as very important not only for this generation but for, we hope, many generations of the Canadians of the future. They are assisted by the national capital planning committee which carries on the detailed planning work under the general direction of the commission, as well as by various subcommittees such as, for example, that on architecture which has the duty of ensuring that the designs of public buildings in the capital area shall be appropriate. In addition, the commission has the advice of Mr. Greber, Mr. Fiset and their staffs as well as its own officers, engineers and other employees, and had the co-operation of the late Mr. John Kitchen.

Under the act it is required that the projects to be undertaken shall be submitted to the government for approval, and the government, of course, must also take the responsibility of asking parliament for the funds necessary to implement the plans and in that way has at least a legal responsibility for the general policies to be followed in developing the capital. But I am sure that this has never been regarded as a party matter. There has never been any division among members on either side of the house about the desirability of planning for the future along reasonable lines, and I feel sure that all hon. members will welcome the opportunity of spending some time with the members of the commission and its officers in examining in detail what has been done, what is being planned and how the funds that are being appropriated annually by parliament are being expended, not only to provide for the requirements of the present day but as well as we can forecast for those of the future of the capital of an ever-expanding country.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I am sure that there will be agreement on the part of everyone in the house as to the desirability of the appointment of the committee which is to be set up by this motion. I think there may perhaps be some difference of opinion as to the extent to which the committee may carry its activities not merely in examining what has taken place but in suggesting a pattern of action in relation to the existing plan or any variation of that plan for the years ahead. This is a subject that has received the support and engaged the interest of every government of Canada since this city became the capital. There is a long and interesting history behind the present commission. Perhaps it may be worth while for us to recall something of what has taken place.

With what the Prime Minister (Mr. St. Laurent) has said about the desirability of a periodic review of the activities of the commission and the submission of a report by the committee in turn to parliament, there will be no disagreement of any kind. From the statements made in the very first meetings of this parliament of Canada it was evident that those who came here from the different parts of the country recognized the fact that Ottawa, by virtue of its choice as the seat of parliament, required assistance, support and some planned development which went beyond any activities which could be expected reasonably from the municipal authorities of one city.

The forerunner of the present commission took form before the turn of the present century. At that time Sir Wilfrid Laurier, in 1899, set up the first commission which carried forward the rather general views that had been expressed earlier and the plans that had been put forward under what was known as the Ottawa improvement commission. In describing the work of that Ottawa improvement commission, Sir Wilfrid expressed his own hope that, as a result of its efforts, Ottawa would become the Washington of the north. In using the comparison with Washington I do not think that Sir Wilfrid was suggesting that we were merely to be a counterpart in any way of the great capital

city of the United States. What I think he was referring to—and in fact it is quite definite that this is what he was referring to—was the way in which Washington had taken form as a planned city, with integrated roads and driveways, under one master plan which had been accepted many years ago. His thoughts were carried forward by those who served in that commission which some time later was widely expanded with regard to the scope of its work.

It was in 1911 that Sir Robert Borden, who was then prime minister, decided upon a much more comprehensive type of plan. He visualized a fully integrated plan which embraced all the streets, parks and public buildings of the community. At that time he set up a special committee to co-operate with the Ottawa improvement commission. It was not such a committee as that which is contemplated in this motion. It was a committee to co-operate with the commission in planning the details of that integration that was contemplated. The first world war intervened and the definite plans that were then taking form in the minds of Sir Robert Borden and his associates as well as those of the members of parliament of those days were held in suspense.

After the war the work of the commission was taken up and it was in 1927 that the present name was adopted by act of parliament. At that time the city of Hull was brought into the consideration as part of an integrated capital area. I think the reference the Prime Minister has made to the 20 public-spirited citizens who are now serving on this commission is applicable with equal force to all those who, throughout the years, have given extremely valuable service in what is definitely a national enterprise.

One citizen of Ottawa who served after this body had become the Ottawa district commission was the Hon. Thomas Ahearn, who devoted many years of imaginative and vigorous effort to the work of this commission. As we go around this city today and see the well-treed driveways along the canals and rivers running through this city, we can all realize that this goes back in large measure to the activities of the commission under the Hon. Thomas Ahearn. He then was succeeded by Mr. W. E. Matthews who served from 1932 to 1936. Then in turn the Hon. Frederic Bronson was appointed and he gave untiring and unselfish service until his death in 1951. I think most of us remember Mr. Bronson and know of the devotion with which he served on that commission.

I think that all of us, regardless of party affiliation, will pay tribute to the tremendous interest which the Right Hon. William Lyon Mackenzie King always devoted to this task. It was in 1948 that he introduced the motion which brought into definite form the actual creation of the capital entity. When he presented the motion which in fact had the effect of creating the capital area on June 28, 1948, he put forward opinions that have some bearing on what we are discussing today. At that time, when he placed before the House of Commons the proposal for the acceptance of a definite capital area with an over-all plan, to which reference has already been made by the Prime Minister and which the present Prime Minister tabled in this house in 1951, Mr. King said that such plan as was adopted must at all times be under the effective control of parliament. I believe that the motion now before us carries that idea into effect, and that it is an essential requirement of the concept of a planned capital area under the supervision of parliament.

Mr. Speaker, I move the adjournment of the debate.

On motion of Mr. Drew the debate was adjourned.

Mr. Speaker: May I for a moment refer to what I said earlier when I interrupted the hon. member for Restigouche-Madawaska (Mr. Van Horne)? In looking over the transcript of what he said I realize that I completely misunderstood what he said, and therefore my intervention was absolutely uncalled for. I thought he had said that Mr. Gordon was out with union officials and visited them in their places, or something to that effect, and that he was going to refer to the conduct of Mr. Gordon after office hours. What I had in mind was citation 488 and citation 250 of Beauchesne's third edition. I am sorry, and I would ask the hon. member kindly to accept my apology. I hope that in intervening in the way I did I did not curtail his freedom of speech unduly.

BUSINESS OF THE HOUSE

Mr. Harris: We shall go on with this debate tomorrow, and continue with the committee on criminal law, and then, if there is time, the resolution in my name with respect to the industrial development bank. On Friday we shall take the estimates of fisheries first, and if there is time, transport.

Mr. Dufresne: What about Thursday?

Mr. Harris: As to Thursday, we shall have to see tomorrow night what we can do on Thursday to make some progress and get something done.

It being three minutes past 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:

LIME TRANSPORT COSTS

Question No. 123—**Mr. Gauthier (Portneuf):**

What amount has the federal government paid in each of the ten provinces for the transport of lime to farmers, since such policy of the government was put into force?

Answer by: **Mr. Gardiner:**

1. The federal government does not pay directly for the transport of lime to farmers. Under the terms of order in council P.C. 1953-4/815 payments are authorized to provincial governments of British Columbia, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland of a subsidy not to exceed 60 per cent of the total amount expended by the provinces for any direct activity in increasing lime utilization for soil amendment purposes, subject to a maximum of $1.50 per ton.

In some instances the provincial activity is in the form of freight assistance and in other instances in the form of direct subsidies.

The amount of the subsidy paid to each provincial government since this policy was instituted in the fiscal year 1943-44 up to and including February 10, 1956, is as follows:

Province	Total subsidy paid to date
Newfoundland	$ 14,651.55
Prince Edward Island	326,130.65
Nova Scotia	790,631.02
New Brunswick	810,407.06
Quebec	2,628,403.23
Ontario	210,999.46
British Columbia	247,166.98
Total	$5,028,389.95

ROGER DURANT

Question No. 174—**Mr. Dufresne:**

1. On what date was Mr. Roger Durant, of Loretteville, Quebec, employed by the government?
2. What are his duties as inspector of animals?
3. What are his working hours?
4. What is his annual salary?

Answer by: **Mr. Gardiner:**

1. The Department of Agriculture has no employee named Mr. Roger Durant but Mr. Jean Roger Durand has been so employed since 1941.

2. He is designated as meat inspection assistant grade 2. Under the direction of Dr. Beauchemin, supervisor of the port of Quebec city for the health of animals division of the Department of Agriculture, Mr. Durand supervises the staff of checkers and fumigators; maintains inspection of garbage feeding premises; inspects premises of customs office, postal express; supervises freight cleansing and disinfection of railway cars, etc.

3. His working hours are from 8.30 a.m. to 5.00 p.m., with one hour for lunch.

4. His annual salary—$3,630 per annum, effective October 1, 1955.

MATERNAL AND CHILD CARE—HOSPITALS

Question No. 177—**Mr. Proudfoot:**

1. What proportion of infants born in Canada in 1955 were born in hospital?
2. What assistance has been given to hospitals under the federal health grants program to improve their care of mothers and newborn infants?

Answer by: **Mr. Martin:**

1. 85 per cent.

2. Since 1948 hospitals have been assisted as follows:

More than $250,000 has been spent to assist with the purchase of more than 500 incubators for the care of premature infants, of various items of delivery room equipment, of sterilizers for the preparation of infants' formulas, and of other technical equipment to improve nursery care.

$2,200,000 has been spent under the hospital construction grant toward the cost of adding 6,600 newborn bassinets in newly constructed or enlarged hospitals.

More than 200 nurses have been assisted in obtaining graduate training in material and newborn care, many of whom are now working in hospitals.

Assistance is being given toward two new courses for nurses, one in Toronto and one in Montreal.

BLOOD DISEASES OF INFANTS—RESEARCH

Question No. 178—**Mr. Proudfoot:**

Is any research of blood diseases peculiar to newborn infants, such as those due to the Rh factor, being assisted through the health grants program?

Answer by: **Mr. Martin:**

Yes. Research studies in Montreal, Toronto and Vancouver are being assisted by the health grants program.

HOUSE OF COMMONS

Wednesday, March 7, 1956

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received from the secretary of the Governor General the following communication:

Sir:

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Wednesday, the 7th March, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

STARRED QUESTIONS

BILINGUALISM REPORT, CIVIL SERVICE COMMISSION

Question No. 24—**Mr. Girard:**

1. Has the civil service commission ever asked for a report on the bilingualism of civil servants of the various departments of the government?
2. If so, on what date?
3. What departments have answered?
4. What is the result of this inquiry?

Mr. Pinard: Mr. Speaker, part 1 of this question reads as follows:

Has the civil service commission ever asked for a report on the bilingualism of civil servants of the various departments of the government?

The answer is yes. The commission requested the assistance of each department in providing an indication of the number of bilingual employees.

Part 2 of the question reads:

If so, on what date?

The answer is: On November 25, 1955.

Part 3 of the question reads:

What departments have answered?

Replies were received from the great majority of departments before February 21, 1956, when this question was raised. Since then, all the other departments have sent in their answer.

Part 4 of the question reads:

What is the result of this inquiry?

A number of departments indicated that information of a reasonably accurate nature was not available; others based their reports upon unverified claims as to language qualifications. It should be pointed out that it is not easy to know whether or not an employee is bilingual. In a number of cases, it is impossible to answer such a question by an unqualified "yes" or "no" because it is a matter of degree requiring a qualitative evaluation. In the light of the information obtained, the commission concluded that it would not be possible to arrive at any reasonably accurate figure as to the proportion of bilingual civil servants.

C.N.R. STATION, SWALWELL, ALTA.

Question No. 28—**Mr. Johnston (Bow River):**

1. Are steps being taken by the Canadian National Railways to close the station at Swalwell, Alberta?
2. If so, for what reason?

Mr. Marler: Mr. Speaker, the management of the Canadian National Railways advise that the answer to the first part of the question is no.

The reply to part 1 answers part 2.

POST OFFICE BUILDING, BANFF, ALBERTA

Question No. 30—**Mr. Johnston (Bow River):**

What progress is being made towards the completion of the post office at Banff, Alberta, and on what date is it expected the building will be finished?

Mr. Winters: This building is just about completed. It will be officially opened on Friday, March 9.

DEPORTATION ORDERS—IMMIGRATION APPEAL BOARD

Question No. 31—**Mr. Fulton:**

1. How many orders have been made since January 1, 1946, providing for deportation of persons who (a) were landed immigrants but were not yet Canadian citizens; (b) were or claimed to be Canadian citizens?
2. What are the names and addresses of the persons who will be members of the immigration appeal board?
3. What are the principles which will be followed in deciding whether the board will hold its hearings in Ottawa or elsewhere?

Mr. Pickersgill: The answer to the first part of the question is that statistics were not kept differentiating orders against visitors and orders against immigrants before January 1, 1952. I think general statistics for the earlier periods have been given in certain returns which were brought down at the last session. From January 1, 1952, until December 31, 1955, 2,553 persons who were landed immigrants but who were not yet Canadian citizens were ordered deported.

As far as the second question is concerned, without going through all the files, there would be no means of finding out how many of these people claimed they were Canadian citizens. I think the number is infinitesimally small, but to the extent that anyone made such a claim and it was substantiated he would no longer be subject to the Immigration Act in any way.

As to the names of the members of the immigration appeal board, they are set out in a regulation which appeared in the *Canada Gazette* of January 23, 1956, volume 90. I shall be glad to send this over to the hon. gentleman.

Mr. Fulton: Could those names appear on the record?

Mr. Pickersgill: The chairman is Colonel J. Colin A. Campbell, whose home I believe is in St. Catharines but who is at present living in Ottawa. The vice-chairman is Mr. P. T. Baldwin, formerly of the immigration branch in Ottawa and who lives in Ottawa. The other members are Mr. L. A. Chevrier, who is temporarily living at the Lord Elgin hotel in Ottawa and who was formerly with the immigration branch in Montreal; Mr. E. B. Reid, who I believe lives at Stittsville, Ontario, and who was a member of a branch other than the immigration branch of the Department of Citizenship and Immigration prior to his appointment.

In answering the question as to where the board will hold its hearings, this will be settled by the board itself. Every effort will be made to avoid imposing any hardships on appellants.

FEDERAL BUREAU OF STANDARDS

Question No. 33—**Mr. Knowles:**

1. Has consideration been given to the establishing of a federal bureau of standards, so that advice and protection might be given to consumers with respect to the quality of goods sold in Canada?
2. If so, what is the result of such consideration?
3. If not, have representations been received by the government asking that such a bureau be established?
4. From whom have any such representations been received?
5. Will consideration now be given thereto?

Mr. Dickey: This question relates to the establishment of a federal bureau of standards, and the answer is that the government has not given consideration to establishing such a bureau. As far as I am aware no representations have been received relating to this matter, but more extensive inquiries are being made to make sure that this is the case. While the government will of course examine any such representations, hon. members will be aware that considerable advice and protection are now available to the public by reason of existing federal and provincial legislation as well as certain industrial associations.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUTTER STORAGE

Question No. 25—**Mr. Fraser (Peterborough):**

1. What was the total cost to the government for the storage of butter during the year 1955?
2. To what company or companies was this money paid, and how much to each?

WHEAT SHIPMENTS FROM PRAIRIE PROVINCES TO ONTARIO

Question No. 84—**Mr. Howe (Wellington-Huron):**

1. From the beginning of the crop year 1955-56 how many carloads of wheat have been shipped from the prairie provinces to Ontario?
2. What were the grades respectively of each such carload and what was the price per bushel paid at the elevator by the purchaser in respect of each carload?

ASSOCIATED SCREEN NEWS LIMITED

Question No. 221—**Mr. Hamilton (Notre Dame de Grace):**

For each of the fiscal years ending March 31, 1952, 1953, 1954 and 1955, and for the nine-month period ending December 31, 1955, what was the total value of federal government business awarded by any means to Associated Screen News Limited?

MOTION FOR PAPERS

CITIZENSHIP APPLICATIONS, N.B.

Motion No. 36—**Mr. Stuart (Charlotte):**

For a copy of all correspondence, telegrams and other documents, exchanged from January 1, 1953 to date, between the Department of Citizenship and Immigration and the attorney general of the province of New Brunswick, regarding applications for citizenship and fees therefor.

Mr. Pickersgill: Since the motion appeared on the order paper I have communicated with the attorney general of New Brunswick, but have not yet heard from him. But I think it is unlikely there would be any objection and, unless there is, I would be glad to comply with it. I hope that understanding will be satisfactory to the house.

Mr. Speaker: Subject to the remarks made by the Minister of Citizenship and Immigration, the motion is carried.

EXTERNAL AFFAIRS

MIDDLE EAST—REQUESTED REIMPOSITION OF PROHIBITION ON ARMS SHIPMENTS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, from the newspaper reports which I saw this morning I gathered

that there may have been some misunderstanding concerning certain remarks I made in the house yesterday afternoon in response to questions concerning arms shipments to the Middle East. What I said yesterday was that I was under the impression that there are no arms going forward at this time. I did not say that all exports of arms to that area had been stopped or placed under an embargo.

No requests for arms for export to the Middle East have, in fact, been approved during the present year, and therefore there could be no question of shipments resulting from any such requests. There remains, however, the uncompleted part of an order for Harvard training aircraft for Egypt, about which we had considerable discussion about a month ago. That order was one which was approved last July. The remainder of that order was cleared by customs for export on February 20 last. It has, however, not yet left the country, though it is awaiting shipment. Consideration is at present being given to the question whether there should be any interference by the government with the completion of this order in the light of the situation in the Middle East, and a statement will be given to the house when a decision on this matter has been made.

Mr. G. R. Pearkes (Esquimalt-Saanich): When I rose a minute ago, I had intended asking the Prime Minister a question regarding these aircraft which are reported as being crated on the docks at Halifax, addressed to the Egyptian air force, and awaiting the arrival of a freighter. I was going to ask whether the ban or the embargo that was placed on the new permits could apply to that aircraft now.

Mr. St. Laurent (Quebec East): No, not at this moment. As I informed the house on February 6, the embargo was lifted at that time, and it has not been reimposed.

Mr. D. S. Harkness (Calgary North): Might I ask the Prime Minister a question subsequent to his statement? What is the situation now in regard to the $30,000 worth of 25-pounder ammunition, shipment of which was being considered by the cabinet to Israel? Has that matter been decided, in view of the statement that no further permits had been issued? Does this mean this ammunition is not going to go forward?

Mr. St. Laurent (Quebec East): No decision has yet been reached in that connection, and the situation is as I last stated it to be when I was asked about it in the house.

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister within what period of time the house may expect the government to reach its decision with regard to the forwarding of the 12 Harvard aircraft?

Mr. St. Laurent (Quebec East): That will depend upon events as they develop. We shall lose no time in implementing our policy to avoid doing anything that might increase uneasiness about the Middle East situation.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I ask the Prime Minister a supplementary question? Is it to be left to the students of Dalhousie University to maintain the embargo on these shipments?

Mr. St. Laurent (Quebec East): I do not know that the students of Dalhousie University have any right to impose any embargo.

Mr. Pearkes: I should like to ask the Prime Minister this question. Earlier this year, when the embargo was placed on the export of all arms, was the permit for the export of those Harvard aircraft at that time withdrawn?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, it was not withdrawn. There was a suspending order made at that time which, as I stated a moment ago, was lifted on the 6th of February.

Mr. Pearkes: Yes, but prior to that the embargo was put into effect, and was not the permit for the export of those aircraft withdrawn?

Mr. St. Laurent (Quebec East): No, the permit was not withdrawn.

Mr. Coldwell: May I ask a supplementary question in order to clear up some confusion that I think exists? I take it these permits are issued to a private company and the planes are not the property of the government. Am I right in that respect, and what company is it to which the permits are issued?

Mr. St. Laurent (Quebec East): It is the Canadian Car and Foundry Company to which the permit was issued.

Mr. Diefenbaker: In view of the inflammatory situation in the Middle East, does the Prime Minister not consider that the shipment of the planes now loaded on the ship in Halifax ought to be stopped, having regard to conditions in the Middle East at the present time?

Mr. St. Laurent (Quebec East): I have just said that when a decision has been reached a statement will be made to the house.

Inquiries of the Ministry

INQUIRY AS TO REQUEST FOR VISAS BY U.S.S.R. DELEGATION

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Is the minister aware that a delegation from the U.S.S.R. calling themselves "members of the Russian fishermen's syndicate" has requested visas from our Canadian embassy in Moscow to visit Canada during the course of this month?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker. I am not aware of any request made for visas by any Russian delegation as suggested.

Mr. Dufresne: I should like to ask a supplementary question. Knowing that visas are going to be asked for, could the minister—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The hon. member is basing his question on what is a hypothetical ground. I recognize the Minister of National Revenue.

Mr. Dufresne: Mr. Speaker, I have a supplementary question to ask. Assuming that these visas will be asked for—

Some hon. Members: Order.

Mr. Speaker: That is just the point. The hon. member cannot base a question on an assumption.

Mr. Dufresne: Mr. Speaker—

An hon. Member: Sit down.

Mr. Fleming: Just say "if".

Mr. Speaker: Order. It might be preferable if more attention were paid to the one who is occupying the chair.

[*Later:*]

Mr. Dufresne: Will the Secretary of State for External Affairs state whether or not visas will be granted to a Russian delegation which is reported to be attending a meeting of the united fishermen's union in Vancouver on March 19 next?

Mr. Pearson: I cannot answer that question until I find out if the report is accurate. I will be glad to do that.

MIDDLE EAST—INQUIRY AS TO SECURITY COUNCIL MEETING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs? Is Canada pressing for a meeting of the security council in view of the situation in the Middle East?

[Mr. St. Laurent (Quebec East).]

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker. Canada is not a member of the security council and is not pressing for such a meeting. I do not know that any of the parties most directly concerned with the disputes there have themselves asked for such a meeting.

TRADE

CZECHOSLOVAKIA—SALE OF WHEAT AND BARLEY

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Has a contract been signed for the purchase by Czechoslovakia of a substantial quantity of Canadian wheat and is such purchase being financed through the Export Credits Insurance Corporation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I was handed this memo as I came into the house. I have not read it. It was handed to me by my staff.

Mr. Coldwell: You had better read it first.

Mr. Howe (Port Arthur): No, I do not think so. Hon. members are aware that it is not my practice to disclose current sales—

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): —by the Canadian wheat board.

An hon. Member: You should have read it first.

Mr. Howe (Port Arthur): Oh, that is all right. That is my policy. In the case of Czechoslovakian negotiations, however, the Czechoslovakian government has already announced its intentions. I am pleased to confirm therefore that the government of Czechoslovakia, through its official grain procurement agency, will be buying between 100,000 and 320,000 tons of Canadian wheat for shipment during the present crop year. The purchases will be made from agents of the Canadian wheat board on the basis of 25 per cent down payment and the remaining 75 per cent within one year. The Export Credits Insurance Corporation will insure the board's agents with respect to the outstanding balances.

Mr. Argue: Has a substantial sale of barley also been made to Czechoslovakia?

Mr. Howe (Port Arthur): Yes. As I remember it, sales of barley during the present week have been about 40,000 tons, and these have been paid for in cash.

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Has any *quid pro quo* been offered to Czechoslovakia

in return for the wheat purchases from Canada in the way of trade concessions or otherwise?

Mr. Howe (Port Arthur): The answer is that no *quid pro quo* has been asked for and none has been offered.

GRAIN

WHEAT—INQUIRY AS TO DATE OF FINAL PAYMENT ON 1954-55 CROP

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. On February 2 he indicated that as soon as the two companion pieces of legislation on wheat were dealt with he would be in a position to advise when the final payment on the 1954-55 wheat crop would be made. Is he now in a position so to advise and is it the intention of the government to make that final payment in time for the spring work on the part of the western farmer?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I do not think I ever said that. I said that I could not make any statement about the matter until the two pieces of legislation had been disposed of. I regret to say that the two pieces of legislation have not been disposed of in that royal assent has as yet not been obtained. When royal assent is obtained, perhaps if I am asked the question I can do a bit better.

IMMIGRATION

INQUIRY AS TO MEMBERS OF APPEAL BOARD

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Citizenship and Immigration a question arising out of the oral answer he gave a little earlier today? Do I understand from his answer, in which he gave the names of the members of the immigration appeal board and used the words "formerly members of the Department of Citizenship and Immigration", that the three members of the board, apart from the chairman, have resigned their positions or appointments with the department?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think the hon. gentleman misunderstood what I said. I said that two of the gentlemen were formerly members of the immigration branch and one was formerly a member of another branch of my department. On being appointed to the appeal board they ceased to be members of these branches of the department because they are members of the appeal board, which is a separate entity but which is also under the jurisdiction of the minister, of course.

Mr. Fulton: If the minister had wanted to create an appeal board that would really give the right to an impartial hearing in accordance with the generally accepted principles of justice, could he not have arranged to set up a board with less than three out of four of the personnel from the department whose decision is under appeal?

Mr. Pickersgill: I understand that it is not an appeal from the decision of the department. It is an appeal from the decision of a particular civil servant, and I do not think that these conscientious and experienced civil servants, only two and not three of whom have served at any time in the immigration branch, are going to be any less impartial because they know something about the Immigration Act. What the hon. gentleman is saying is tantamount to suggesting that no member of the bar should ever be appointed a judge.

Mr. Fulton: Mr. Speaker, I am not going to comment on the minister's usual distortion.

Some hon. Members: Question.

Mr. Fulton: However, I should like an answer to my question as to whether, if they wanted to give a really independent hearing or appeal, they could not have found other than three out of four of the members of the board elsewhere than in the department, when it is the decision of one branch of that department which is under appeal. In other words, is this going to be an appeal board or a whitewash?

Some hon. Members: Oh, oh.

Mr. Speaker: I recognize the hon. member for Quebec West.

Mr. Fulton: Is my question out of order?

Mr. Speaker: If the hon. member reads in *Hansard* tomorrow the question he has asked and which I allowed in the first instance, he will see that his question was not of the type that should be asked at this time. The minister answered and—

Mr. Fulton: He did not answer.

Mr. Speaker: The hon. member for Kamloops (Mr. Fulton) contends that he did not receive an answer. I allowed him to try to repeat what I thought would be a proper question but when I noticed that it was not I recognized another hon. member who wanted to ask a question. I think most hon. members

will agree with me. I must insist that the hon. member do not pursue the point.

[*Later:*]

Mr. J. H. Ferguson (Simcoe North): Although the Minister of Citizenship and Immigration is not a lawyer he can probably answer this question. Is he aware that most judges, when a case comes before them concerning the firm with which they were formerly associated before appointment to the bench, retire from the case and ask another judge to take their position?

Mr. Fleming: Answer.

CANADIAN BROADCASTING CORPORATION

ALLEGED CRITICISM OF PUBLIC AFFAIRS TELEVISION BROADCAST

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, on February 29 the hon. member for Eglinton (Mr. Fleming) asked me if I would inquire of the C.B.C. as to whether there was any complaint in regard to a C.B.C. telecast on the evening of Sunday, February 26.

I have asked the C.B.C. about this matter. They inform me that they have received no particular complaint about this telecast.

Mr. Fleming: May I ask what a particular complaint is?

Mr. McCann: I presume they use that term in place of a comment.

Mr. Rowe: It was just general, was it?

Mr. McCann: General what?

Mr. Rowe: A general complaint.

LIVESTOCK

SHEEP—REPORTED SCRAPIE DISEASE IN ALBERTA

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Can the Minister of Agriculture inform the house of the latest developments in respect to the sheep disease called scrapie in Alberta? Can he inform the house of the extent of the losses to date, and whether or not this disease is confined to Alberta, as well as whether or not any compensation has been paid in respect of such losses?

Right Hon. J. G. Gardiner (Minister of Agriculture): There is a question put in by another member asking for all that information which is in my office now, and it will be answered in due course.

[Mr. Speaker.]

TRADE AND COMMERCE

REQUEST FOR FORMATION OF FEDERAL BUREAU OF STANDARDS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce or to his parliamentary assistant arising out of the answer given to my starred question regarding a federal bureau of standards. Is the government not aware that representations concerning this matter were made in the briefs presented by the national labour organizations when they appeared before the cabinet recently? Is the government not also aware that the Canadian Association of Consumers has asked for such a federal bureau of standards?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The government is aware that there is a desire that its work in establishing standards for articles offered for domestic sale be speeded up. My hon. friend knows that there is a federal standards act, administered by the Department of Trade and Commerce. He is aware also that arrangements for labelling under that act are being advanced as rapidly as standards can be set up. I do not know that the formation of a bureau of standards would speed up the work particularly. In any event, the work is going forward.

TRANSPORT

FERRY "BLUENOSE"—TIME IN DRYDOCK AND SUPPLEMENTARY SERVICE

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Is the Minister of Transport in a position now to tell us how long the ferry *Bluenose* will be in drydock, and what arrangements are being made for supplementary service during that period?

Hon. George C. Marler (Minister of Transport): I am unable to predict how long the *Bluenose* will be in drydock, and the reports I have had to date are not sufficiently clear for me to judge whether we should give further consideration to establishing a substitute service.

Mr. Nowlan: May I ask a supplementary question? The *Evening Times-Globe* of Saint John reports that the minister has told Mr. Dan Riley the boat will be in drydock for six weeks. I wonder if he could be as generous with the House of Commons as he was with Mr. Riley?

Mr. Marler: My attention had not been drawn to that statement. I may say I have told no one that the ship would be six weeks in drydock.

RABIES

REPORTED OUTBREAK IN SOUTHERN ONTARIO

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. What is the government's policy with regard to the recent rather serious outbreak of rabies in southern Ontario? Is a charge made for the vaccination? If so, what is that charge?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I only know that the officials of the department are taking action in accordance with the general policy as set out in the act and regulations. I shall see that the hon. member's question is taken as notice and bring down an answer to the direct question.

HOUSING

LIMITED DIVIDEND HOUSING PROJECTS—CONTINUATION OF POLICY

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, on Friday, March 2, the hon. member for Humboldt-Melfort (Mr. Bryson) asked why June 30, 1956, was advanced as the cut-off date for applications to Central Mortgage and Housing Corporation for hostel type accommodation.

The answer is that in May, 1955, Central Mortgage and Housing Corporation established a formula relating to the number of hostel rooms that might be included in a limited-dividend housing project for aged persons. It was decided that the number of hostel rooms should not exceed 50 per cent of the number of self-contained units in a limited-dividend housing project.

In establishing a limitation the corporation had in mind the definition of a "housing project" contained in the National Housing Act.

Correspondence had taken place prior to May of 1955 between the corporation and the Saskatchewan government which the latter interpreted as containing a commitment to finance limited-dividend housing projects sponsored by the government of Saskatchewan which contained a higher percentage of hostel units.

The corporation, because of the interpretation placed on this correspondence, agreed to accept projects in Saskatchewan with the number of hostel rooms being equal to the number of self-contained units that are designed for two or more people. When the corporation agreed to this special arrangement it stipulated that it would apply only to applications received up to the 30th day of June, 1956. This date was selected in order to give municipalities in Saskatchewan which had planned such projects ample time in which to bring them forward. The province was advised on August 29 last that June 30, 1956 would be the cut-off date.

INCOME TAX

PREMIUM IRON ORES—ALLEGED INTERFERENCE IN UNITED STATES TAX APPEAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Revenue. Has the minister received a reply to the representations which he made to the United States secretary of the treasury on behalf of Premium Iron Ores Limited? If so, what is the nature of the reply?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, no reply has yet been received.

Mr. McIvor: A good answer.

NATIONAL CAPITAL PLAN

APPOINTMENT OF COMMITTEE TO REVIEW PROGRESS OF FEDERAL DISTRICT COMMISSION

The house resumed, from Tuesday, March 6, consideration of the motion of Mr. St. Laurent (Quebec East):

That a joint committee of both houses of parliament be appointed to review and report upon the progress and programs of the federal district commission in developing and implementing the plan for the national capital;

That the members to act on behalf of the House of Commons as members of the said committee be designated at a later date;

That the said committee have power to call for persons, papers and records; to sit while the house is sitting, and to report from time to time;

That the said committee have power to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, at the time of the adjournment of this debate last night I had just referred to the fact that emphasis had been placed upon the need for the control

of the development of any capital plans by parliament itself. The setting up of a committee does fulfil that idea if the committee in fact—

Mr. Speaker: Order.

Mr. Drew: —if the committee in fact does deal with the problem with which it is now confronted. Mr. Speaker, I shall wait until it is possible to have my remarks heard.

Mr. Speaker: Would hon. members be good enough to use the lobbies to carry on private conversations instead of using the house for this purpose; and may I ask all those who intend not to remain in the house for the purpose of this debate to leave the house now.

Mr. Drew: Mr. Speaker, ordinarily I am not concerned about any interruptions but I do believe there are some hon. members who are sufficiently interested in the national purpose of a capital plan to wish to hear what is being said not only by myself but by other speakers who will be making comments on this subject.

The plan that was brought into existence by Mr. Jacques Greber under the instructions of the government has been a guide in so far as the general purposes of the commission have been concerned. It would, however, be a great mistake to imagine that this plan has become the definite pattern and that there is any very substantial fulfilment of the intention of that plan.

A number of public spirited citizens from the ten provinces and from the Ottawa district have taken their part as members of the federal district commission. The time has come, however, to say very definitely that a thorough examination of the responsibility of this commission, of its purpose and of the way in which the desire of parliament will be carried into effect is overdue. There has not been any effective measure of supervision by parliament. Parliament is not called upon to deal with specific proposals; parliament has been called upon to vote $2½ million a year for the purpose of making it possible for the federal district commission to carry out certain designated operations. The decision upon the recommendation of the commission is made by the government. If the full amount of the $2,500,000 is spent, the commission will simply have operated within the amount of the appropriation. On the other hand, if the amount is not spent it accumulates and goes forward and the fact is that the amount available is in excess of the $2½ million a year at this time.

I think it is well to look at what did happen at the time the last joint committee of the two houses met and reported in order to see how necessary it is that this committee go much farther.

That committee reported in 1944 and at the time it made its report it covered certain subjects which have not been substantially carried into effect. That report was dated August 1, 1944. The very first recommendation was in regard to the co-ordination of the activities of the federal district commission and the various bodies which would be called upon to deal with the plan for a national capital.

There was reference to the railway facilities and the necessity for negotiations between the federal district commission and the railway companies with the idea of removing certain of the railways and in that way making it possible to produce a much more attractive central area within the city. No effective steps have been taken to implement that part of the recommendation. There were certain other recommendations that were made but substantially very little has been accomplished that was recommended by that last committee.

I should hope that on this occasion the committee will deal with the fundamental problem which the federal district commission faces in trying to implement any national capital plan. When Sir Wilfrid Laurier many years ago spoke of his hope that Ottawa might become the Washington of the north, undoubtedly behind that thought was his recognition of the fact that it had been possible to carry out integrated plans because the whole of that area was placed under one authority.

I do not intend to express my opinion as to how far this authority should be extended or whether it should be extended at all. One thing is certain. If an effective capital plan is to come into operation there must be a clearer definition of the functions of the commission in relation to the municipal authorities, and that means the authorities of several municipalities. There must also be some workable plan under which there would be a measure of continuing supervision by parliament of such agreed pattern as may be brought forward by this committee in its report to parliament.

The fact is that there are a number of developments in this area which provide considerable reason for satisfaction. The various driveways along the rivers and canals are in themselves as attractive as could have been produced under any integrated plan that might have been developed. On the other hand it would be dodging reality to pretend that anything in the nature of integrated development in the central part of the city close to the parliament buildings has in fact been carried out.

There is a very small park area around the war memorial but outside of that there is very little beyond the boundaries of the grounds in which the parliament buildings stand which shows any signs of a capital plan in so far as any visitor to the parliament buildings is concerned. This site is a magnificent one. The view of this site from along the river banks or from across the river is one of the finest of any parliament building that can be seen anywhere. Nevertheless there are some most unattractive buildings and a complete absence of any sign of integrated development in the immediate proximity of the parliament buildings.

It is true that bridges have been constructed, certain new highways built and other preliminary steps of that kind taken, but we are far from seeing even the beginning of the real fulfilment of the concept which was placed before parliament in 1951 when the plans prepared by Mr. Jacques Greber were tabled in this house along with the report which accompanied them. Much land has been acquired in the outlying areas. One of the very desirable purposes of increased authority for the commission was accomplished when the cutting of forest areas in the neighbourhood was prevented. Undoubtedly effective steps in some substantial measure have been taken to preserve a green area around the city of Ottawa. But we are far from seeing any effective realization of the concept of a capital plan which was put before parliament by Mr. Jacques Greber as a result of the work which he had done at the request of this government.

There are a number of things that must be decided by parliament itself if the concept of a national capital which will be a source of pride to all Canadians and be regarded as something which is the common property of all Canadians is to take form within a measurable number of years ahead. The fact is that the federal district commission is not able to operate effectively at this time. That is a matter of common knowledge. The balance of authority between the commission and the various municipal authorities is not satisfactorily established.

The fact that certain municipal grants have been made to the city of Ottawa has very little to do with the fulfilment of these plans. The Prime Minister (Mr. St. Laurent) referred to them last night. These are intended only as payments in lieu of taxes on buildings occupied by the government, whether in Ottawa or in other municipalities, which upset the balance of taxation when they reach a certain percentage of the whole assessed area within the municipality. That payment is made simply for the purpose of providing a fair compensation to the municipality and has really very little if anything to do with the possible fulfilment of these plans.

It is not to be expected that the municipal corporation of the city of Ottawa, the municipal corporation of the city of Hull, the municipal corporation of Eastview or of any municipality in this area could be expected to carry out on their own any of the developments which are essentially a part of the concept of a capital area. What might be fully satisfactory from the point of view of the needs of a municipality in its ordinary position as a municipality would be within its financial ability and undoubtedly would be accepted.

If we are to regard this capital area as something that belongs to all Canadians and that is to be an appropriate show place as the capital of the nation to all visitors who come here, whether they be tourists, diplomatic visitors or otherwise, then the things that are done must be on a scale that could not possibly be undertaken by any one of these municipalities. The ability to carry those out is not greatly furthered by these payments in lieu of taxes which were not intended for that purpose but for the ordinary requirements of the municipality.

Let me deal with some of the questions that must confront anyone who is charged with the responsibility of seeking to carry into effect an appropriate capital plan in this area. These are things which I hope the committee will consider, these are things upon which I hope the committee will report, these are things upon which I hope parliament will ultimately make some decision and give appropriate directions.

Is it part of the proper concept of plans for a great capital city that there should be a well designed auditorium, in which concerts, operas and musical performances of all kinds and great national meetings should be held? I hope the committee will make some decision on that. Many of the hon. members in this house must have been impressed, as I have, by the fact that in other countries even the smallest capital city has its own opera building, has its own auditorium where musical concerts and great meetings can be held, has its own art gallery where there is, in fact, a real presentation of the art of the nation. These are things which have not yet been decided.

I do not believe that the city of Ottawa, as a municipal corporation, can be expected to take the necessary steps to erect the kind of auditorium that should be here in the capital for the purposes I have mentioned. I think that is something that must be undertaken by the federal district commission in association with the municipalities, if that

is to be done. Above all, the committee might well consider the desirability of diverting an appropriate amount of whatever sum is set aside for the activities of the federal district commission to the erection of a truly fine structure that will be in keeping with the fine architectural standards of these parliament buildings in which we now meet.

I hope no one will suggest that, because Ottawa is not one of our largest cities, it will not be possible to have fine music, opera, theatre, ballet and other artistic productions here in this city in keeping with the national character of the culture of our people. If anybody was in doubt about the fact that people will go to a place where any artistic performance of high standard has been developed, that question was answered by the city of Stratford, Ontario, in the Shakespearean festivals which they now hold every year. I think that every Canadian owes a debt of gratitude to the people of Stratford, who were responsible for starting that great festival, which now is one of the best known theatrical festivals in the whole world. In all earnestness I say that they have shown what can be done. I hope other municipalities will follow in other artistic fields and become the centres of musical festivals, of art festivals and of other annual events that will attract crowds of people and give greater impetus to the cultural development of this country. That is the way we shall advance our national culture, far more than any declaration that we desire it. The development of culture will come from the opportunity for culture itself to emerge through the things that we do.

I should think it would be one of the appropriate functions of the federal district commission, under the authority of this parliament, to provide those facilities which would bring here to the capital the cultural activities that would give a truly national character to some of those achievements. From here, then, there would go out to the people of Canada by radio and by television an effective representation of what was taking place. I hope the committee will consider the advisability of urging prompt action in this respect.

We are proud of our great material achievements. We are proud of the way in which our resources have been developed within these past few years. There has been a very natural measure of satisfaction expressed about the rapidly mounting annual income of this country. What has already happened is only a promise of what is going to happen in the years ahead. Therefore I hope that the committee, when it is set up, will consider these subjects and will make appropriate representations that are not only an expression of hope but that indicate the way in which it can be done.

One of the features of this proposed committee that commends itself very much to me is the fact that it is to be empowered to call witnesses and ask for the production of papers and documents. I think that is very useful. I would go further and suggest that this committee might well consider the advisability of visiting Washington, as the nearest large capital, and discussing on the spot the way in which their very effective plans have been carried into effect. Whether or not that is considered desirable, in any event I would hope that this committee would bring here before it experts who can speak with authority about the kind of planning that should be done.

Each capital city must have its own particular character. Ottawa is not going to be a smaller image of Washington, for several reasons. In the first place, we have our own distinctive architecture for our parliament buildings. In the second place, we have a geographical location that makes this the central part of a nation with a wide variety of interests. In the third place, we are surrounded by a countryside far more beautiful than that which surrounds Washington or, in fact, most other capital cities in the world. This committee should consider the way in which we may take full advantage of the magnificent rivers, the rolling countryside, the lovely hills in the distance and all the natural advantages that are available to us for the establishment of a capital city which will be recognized throughout the whole world as one of the most beautiful that can be visited anywhere.

It must be a Canadian city. It must be a city that recognizes the fact that we are not starting, as Washington did, immediately after the occupation of a relatively undeveloped area. We must incorporate within any capital plan a city that has grown without any integration of the various municipal areas that form a part of it. A great deal of attention must be devoted to the question which arises as to how there can be effective integration of these municipalities with connecting driveways and highways while, at the same time, recognizing that each municipality has attained a substantial measure of maturity in a way that makes a completely new development an utter impossibility. We should not strive for that. Some capital cities have done little to go beyond the actual environs of the parliament buildings themselves. London, with all the beauty that surrounds Westminster, has done little to change the streets,

the buildings, that lead into Westminster, and there is no reason why they should. They already have all the beauty of fine architecture and of age and of the history that surrounds them. Ours is a much newer picture. In many parts there are areas which should be removed if that is a practical possibility and give way to a finer type of building.

Something more is needed, however, than the Greber plan. What is needed is a pattern recommended by a joint committee and approved by this parliament. After that I believe it is very desirable that there should be a continuing committee which will review from year to year, and not once in twelve years as in this instance, the stages of development which have resulted from what has been done. I hope the committee will really tackle this problem. It needs to be tackled. The federal district commission, with all the earnest effort of its members, is not able to tackle it under the existing arrangements.

I feel sure that the corporation of the city of Ottawa, the corporation of the city of Hull and the other municipal corporations involved are anxious to co-operate. Let that committee be the place where this effective plan for co-operation is developed. Let us hope that the committee will not merely review what has happened and report to us but will put before us positive, imaginative and dynamic recommendations which will place before us the possibility of the fulfilment of the dream of a capital city which is in keeping with the proud future of Canada in the years immediately ahead.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, last year I was very anxious that this committee should be established and I am happy indeed that the Prime Minister (Mr. St. Laurent) has moved for the appointment of a joint committee and that he has given us some indication of what the order of reference may mean. When I saw the order of reference on the order paper I wondered whether it was sufficiently wide to cover the kind of inquiry and the kind of recommendations that this committee might ultimately make. But last night the Prime Minister said this, as found at page 1876 of *Hansard*:

> . . . it is proposed that the committee this year shall direct its attention fully to the substantial work of the federal district commission and the relation of this work to the activities of the municipal and provincial authorities in so far as they bear upon it.

Therefore I take it that, with the exception perhaps of the matter of the review of municipal grants and that kind of thing, the inquiry is to be wide open. May I say, before I begin what I was going to say, that I was very happy indeed to hear the Leader of the Opposition (Mr. Drew) so warmly support the idea that this city and Canada in general should have suitable cultural facilities. Some members of the house may remember that during the war when we were discussing the possibilities of a war memorial I said I hoped that we might establish in this city a cultural centre, a centre in which there might be a national gallery to house some of the lovely pictures that we have acquired, perhaps a national library and certainly a national auditorium or national theatre, and that we might go even beyond that and do what many of the smaller countries to which the Leader of the Opposition alluded do, namely, not only provide for the opera, drama, ballet and the symphony but also subsidize suitable companies, beginning perhaps with good music or good drama.

I think it is a great tragedy that in this capital city of Ottawa there is no place where a good theatrical performance can be undertaken. There is no place where one can in reality enjoy good music or anything of that sort. Because of the lack of facilities I think the attempts that have been made to establish a repertory theatre have almost invariably met with great difficulties and except for a few public spirited citizens might have failed. One knows how inadequate is the auditorium in which these theatricals are produced—for the production of drama and so on. Therefore I want to support very warmly the plea made this afternoon by the Leader of the Opposition because it is a plea I made a good many years ago and have been repeating from time to time ever since.

As has already been said, this is one of the most beautiful sites for a city in the entire world. There is no city in the world with more beautiful surroundings than the city of Ottawa. Here we see the meeting of the Laurentian granite rock with the limestone rock and subsoil of this area. Here, as it were, is the meeting place of two of the geological regions of this part of Canada. In order to make this a more beautiful city I quite agree that we must have the co-operation of the municipalities and the provinces. One of the jobs that I think the committee should undertake is to make it more possible to have the co-operation of the provinces and the municipalities.

Much of the beauty of this city site is, of course, on the other side of the river in the province of Quebec, and I think everything should be done to ensure the co-operation of that province. I am quite sure that the present government of that province would look upon

the beautification of that area as being advantageous not only to the province of Quebec but to the country as a whole. I think every attempt should be made to get that co-operation and, of course, the co-operation of the surrounding municipalities.

The city of Ottawa, for example, needs to be zoned. It needs zoning very badly. There are all kinds of little laundries and so on in residential sections throughout the city and they should not be there. I know that there are difficulties because I happen to have been a member of the council of the city of Regina when some 30 years ago we established, in the face of a great deal of opposition, I might say, a zoning by-law in that city. I know the difficulties that followed because of the necessity of dealing with some of these laundries and so on that were scattered throughout the city in all kinds of substandard buildings. Therefore I think the city of Ottawa should be encouraged to undertake a real zoning plan for this capital city and follow out that plan over a period of years.

I know that something is being done in the newer subdivisions. In the newer subdivisions we find that as residential sections they have their shopping centres located in a particular spot instead of being scattered all over the subdivision, and that is as it should be. We should encourage the city and even help it if necessary to remove some of the many unsightly and substandard buildings that are to be found in this capital city of Ottawa. You need only to go into some parts of this city to realize the near-slum conditions, I was going to say, that exist here and there. I remember that a few years ago a young lady who was doing some canvassing for an association came back to her people and, in my presence, expressed both horror and indignation at the conditions she saw in certain parts of this city of Ottawa, conditions that she did not realize existed. But they exist and they should be removed.

Then we recall all the tragic fires that we have had lately which have taken the lives of so many young children. Those tragic fires have been due, in large part, to substandard housing in this capital city. I regret to say that, in one instance at least, it was substandard housing owned by the federal district commission. I suppose the commission felt that with no other housing to which the family could go, they could not turn them out; and one understands that point of view. But it places squarely before us the condition that exists here in this city. Even around our own buildings improvements could be made. One of my colleagues was remarking to me this afternoon about a certain condition. He asked me if I had driven my car out the west gate down the cobblestones. I said that I did not usually go that way. He said, "I have a new car and it is already being shaken to pieces because I am obliged to go up and down those cobblestones every time I come to the House of Commons." We could do a great deal to improve our own surroundings and set an example to the city of Ottawa.

I think also that all parts of this city should be within the city limits. I am rather amazed that the best residential section of this city is outside the city limits and has not even a public sewerage system. The people there have put up for years with no sewerage system; they have nothing but septic tanks. As we all know, in time septic tanks become a health hazard in a district. Yet we have this beautiful subdivision or village of Rockcliffe, which should be within the city limits, with sanitary conditions that would not be tolerated in many countries where they have strict sanitary laws. It is about time that something was done about the matter. I do not know what the federal district commission can do about it or what this committee can do, but I am saying something about it in the house this afternoon in the hope that it will arouse some interest among the citizens who live in Rockcliffe. There are one or two of them on the other side of the house among the ministers and there are one or two close to me on this side of the house. I hope they will take an interest and see that the sanitary conditions in Rockcliffe village are greatly improved.

In connection with sanitary conditions, I think the other thing that must be done around some of the residential areas in this city is in connection with the pollution of our rivers. I have heard the Ottawa river described as an open sewer. For some years we had a cottage some little distance up the Ottawa river. I asked the health authorities to tell me whether the river was fit to bathe in. I was told that they thought it would be all right to bathe in the river while there was a good flow of water in June or July but that as soon as it got hot in August at that particular point one had better not let children go into the river because while the water did not show serious contamination, there was contamination; one had better not bathe in it in late summer. That situation prevails for miles all down this beautiful Ottawa river. The thing is a scandal in this progressive country, to find one of our finest rivers, which flows right beside the parliament buildings, characterized from time to time as an open sewer. Of course the river Thames was once that way. I remember reading that about 100 years ago they had to erect curtains around the windows of the

House of Commons in London in order to keep out the smell from the river Thames. Fortunately we have not had to do that here, probably because we are on a rather high piece of ground up above the river; also, as somebody suggests, the sulphur fumes coming from the paper plant may neutralize the germs that may be found in the air above the Ottawa river. Hence we are perhaps safe in that respect.

Then I also hope that quite soon the unsightly buildings around the Rideau falls will be removed. For years we have heard that those unsightly buildings belonging to the government were going to be torn down or were going to be put out of the way. I was once told—I do not know how true it is—that, when France built the large and expensive French embassy adjacent to those buildings, we gave an undertaking that those buildings would be removed. I do not know whether that is true. Did we give that undertaking?

Mr. Harris: Yes.

Mr. Coldwell: If we gave that undertaking, let us carry it out and restore the Rideau falls to their pristine beauty.

Something was said about the green belt. I think we must be careful. When the Prime Minister (Mr. St. Laurent) last July 27 discussed with us the matter of the federal district estimates, I distinctly remember that he said there was no positive prohibition of building in the green belt areas but that the national housing authority had exercised some negative persuasion there. But we need to enter into agreements and to do what we can to preserve these green belts because they are an integral part of the capital plan as outlined by our town planning experts.

We have a very beautiful city in many respects. This afternoon the driveway was mentioned. I know of nothing much finer than that driveway around the city which is now being extended by parkways up towards Gatineau park. I want to say something about Gatineau park too because I think that park must come under the review of the proposed committee. I give all credit to the federal district commission for what they have done within this city but I am wondering whether they are not neglecting their responsibilities in connection with Gatineau park. When I was driving out to Kingsmere last summer and autumn I noticed that new buildings were being erected along the way. My understanding was that this park was to be kept for the people of Canada and that, bit by bit as opportunities occurred, the federal district commission would buy out certain properties around Kingsmere and in the park area as they came on the market. If you are going to do that, why was not the property bought from private interests and the erection of further buildings prevented in that national park area? I cannot understand the policy that would allow the building of new cottages and indeed new permanent homes in that area if the policy as I understand it—and as I think it was generally understood—is the policy that was to have been followed.

In the Kingsmere area we now have, of course, the property of the former prime minister. During this summer we had open-air concerts. I was surprised to learn that a new road had been built around the back of the buildings on that property in order to give access to the area where the concerts were to be held. Why? Because, I was told, the dust and the noise of the approaching vehicles on the old road interfered with the people who lived in that vicinity along Kingsmere lake. Kingsmere lake is the only lake we have near to this city. I understand that the property that had been left by the late prime minister was left to the nation and that persons who live or holiday around there were staying there on sufferance for the time being.

Now, I was also told that there were objections to the band concerts because they interfered with the quiet enjoyment of the people who lived in that area. This property and the cottages on it were left to the people of Canada and not for the enjoyment of the few people who happened to be in possession of them when the late prime minister died. I feel the federal district commission has to look into this and carry out what I believe was the intention of the late prime minister and this parliament in connection with that property.

I was told also that the new road that had been built went through shrubs that had been planted to encourage the development of a bird sanctuary there. I believe these shrubs were largely destroyed in building this road so that the residents in the neighbourhood would not be annoyed by the noise of automobiles, dust and so forth. I believe these are matters that have to be investigated by the committee. Of course, it is essential that the trees that remain in Gatineau park should be carefully safeguarded. I understand there was a woodlands association organized in the city of Ottawa in the thirties during the depression when trees were being cut down for firewood. At that time much beautiful timber was destroyed. I think we have to see to it now that in the planning of this capital district the beauty of the national park should be not only preserved but enhanced.

I may say that I have been all over this park. It is a glorious thing, with wonderful views. Go there in the summer; go there in the fall or go there now and follow the ski trails, and you will see the beauty of that landscape. When the parkways are built thousands of people will be able to drive along the escarpment and look over the Ottawa valley, as I believe the planners intend. What a wonderful national park that will be adjacent to our capital city. Of the four desirable lakes there, Kingsmere, Philippe, Meach and Harrington, only one has so far been unspoiled along the shoreline and that is Harrington lake. The federal district commission is obtaining property at Philippe lake as the opportunity arises. Of course, the longer they leave these properties in private hands and the more the beauty of that park is enhanced, the more valuable that property will become and the more costly it will be for the people of Canada to acquire it either by negotiation or if necessary expropriation. I think we have to make haste in order to acquire the entire parkland for the enjoyment of all the people of Canada.

Then, of course, situated in that area there is one of the historic settlements of this part of Canada, Old Chelsea. I was in Old Chelsea last autumn. When I was there I went down into the little river valley and learned for the first time that that is where Philemon Wright erected his first mill. Some suggestions have been made from time to time that just as in some other parts of the world they are re-erecting buildings of historic value—they did in the Annapolis valley not so many years ago—while the ancient buildings of log and frame which have some historic interest exist in the neighbourhood, they might be preserved in a pioneer village. In this way our children and our children's children will enjoy the facilities and historic significance of this beauty spot in the years to come.

I know that in the past few years as I have gone out with my daughter to the ski trails or picnicking in the summer in Gatineau park, nothing has appealed to me more than the beauty of this area and the opportunities that this country and this city together have to preserve for the future that wonderful parkland, so that there may be picnic grounds, ski trails, bathing spots and all the other facilities that go to make life a little more beautiful than the pioneers of the area knew in days gone by. I should like to see spots set aside, either in the park or near the park along the parkway, where there could be open air concerts. Anyone, for example, who has been in Vancouver and who has seen the beauty of Stanley park, preserved in all its original beauty, will know what I mean. Yet, in that park there is what is called the Theatre under the Stars which is greatly enjoyed by the people of that city. How much such a spot would be enjoyed here!

I am looking forward to the report of this committee. I hope I may be on the committee. I think, as the Leader of the Opposition has said this afternoon, the committee should not only review what has been done but assist the federal district commission and this parliament in making plans for the future, so that we may carry out the plans made over a period of time.

Mr. Ambrose Holowach (Edmonton East): In speaking to this motion, Mr. Speaker, I intend to be guided by the wise counsel that you have given to the house on numerous occasions with respect to relevancy of remarks on a motion preliminary to the setting up of a committee, such as the one we are discussing. I intend to be brief and to the point. We appreciated hearing the statement made yesterday evening by our Prime Minister (Mr. St. Laurent) concerning the program and the work of the federal district commission in developing the nation's capital. It is indeed an inspiration and a matter of pride that we should have such an undertaking.

After listening to some of the speakers who preceded me, it would appear to me that in addition to the technical accomplishments which our Prime Minister outlined yesterday the greatest progress has been in reaching full agreement on the desirability of the objectives of this commission. In the words of the Prime Minister, that objective is to create a national capital which will be a source of pride and inspiration to Canadians from all parts of the country, a focus and a symbol, if you will, of the things that unite us as a nation. It would appear that the next step lies in making more detailed plans and in bringing a better understanding to the members of this house and the other place of what has been accomplished thus far and what needs to be done in the future. For that reason I believe the committee will serve a most useful purpose.

In the absence of the hon. member for Macleod (Mr. Hansell), whom we in this group have designated as our member of that joint committee, I wish to express on behalf of my colleagues our full support of this motion. We attach a great deal of importance to the work of the committee for it will deal with the planning of a more beautiful city and will make this city in every respect truly worthy of being the capital of a great country.

There are other matters which could quite properly be discussed at this point and I am sure that hon. members on both sides of the

house could make valuable contributions. It seems to me that the problems which must face the federal district commission are similar to those which face other metropolitan areas in Canada. These problems have been discussed both in this house and throughout the country generally. There is, for instance, the problem of deciding on the size of the city; there are problems arising out of the rapid growth of population spilling over into the various fringe communities; the problem of city debt and problems of multiple and costly administration. Above all there is the problem of supplying adequate and further sources of revenues in order that these municipalities are able to meet the requirements they are called upon to meet by expanded communities.

It may interest the house to know that last year the government of the province of Alberta recognized this national problem and authorized the setting up of a royal commission to investigate the problems of our two principal cities, Edmonton and Calgary. I commend that report to the members of this committee as an excellent example and evidence of the very generous contributions that were made to growing municipalities by the senior provincial government. The total cost of providing direct and indirect assistance to our Alberta municipalities in a seven-year period was over $311,710,812. For a five-year period direct and indirect aid to the city of Edmonton totalled over $40,942,541 and for Calgary in that same period the total was over $27,681,017.

It is interesting to note that in the province of Alberta financial assistance by way of loans in that same period under the self-liquidating projects act, the municipal expenditure loans act and by way of school construction loans and other means, totalled over $57¼ million to the city of Edmonton and over $55¾ million to the city of Calgary.

In the case of Ottawa there is the additional problem of designing a harmonious plan in order to meet the requirements of the federal government buildings as well as to provide for the beautification of this city.

There is one matter to which I should like to draw the attention of the house. Let me put it this way. It is hardly necessary for us to impress the visitor from a foreign country with the natural beauty and material wealth of this city, of our country. He becomes aware of that. I should like to know what steps if any are being taken by this commission to impress the visitor with our interests and taste in relation to non-material things: drama, music, sculpture, and proper buildings such as a public auditorium in which these are housed and cultivated.

There is some regret that such a joint committee was not set up and functioning last year because it would have meant we would have been that much further ahead in our work, but we feel confident that the joint efforts of the hon. members from the other place and the House of Commons, meeting on a non-political subject and having powers to call for persons and to examine the records, will make great progress.

I am sure our representative on that committee will make concrete and specific suggestions with respect to some of the outstanding problems and when a report is made to this house other hon. members in our group will be glad to express themselves on this subject.

Mr. J. T. Richard (Ottawa East): Mr. Speaker, I rise to make a few remarks concerning this resolution. You will realize no doubt, Mr. Speaker, that I am most happy that a committee is to be formed to look into the program of the federal district commission. This I have requested very strongly for a number of years. I have asked for the setting up of such a committee on many occasions and I am gratified to know that such a committee will be set up at long last. No doubt this has been the result of many years of requests for such a committee from various hon. members. It is true that this committee sat 12 years ago but as one speaker said a few moments ago a committee such as the federal district commission committee should be a continuing committee and not an occasional one.

The constitution of the federal district commission provides for members representing each province in this country. I do not think, however, these men can replace the opinion and the information of the representatives of parliament on the committee. I think that what the national capital needs more than anything else is the proper distribution of information and publicity about its program throughout the country.

This can best be done if hon. members of this house are better acquainted with the workings and programs of the commission. I am therefore happy to congratulate the Prime Minister upon having decided to form a joint committee this year to look into the operations of the federal district commission.

I should also like to join with the hon. member for Carleton (Mr. Drew), the Leader of the Opposition, who made reference to some of the great men who served as chairmen of the commission. I was particularly pleased when he mentioned Hon. Thomas Ahearn and Hon. Frederic Bronson who were most public spirited citizens and were devoted

to the work of the federal district commission. Other men serving on the commission today are also public-spirited and deserve our praise for the work they are doing. I would also add that the officers of the commission are people who are both qualified and willing to do a very good job.

It has been said, Mr. Speaker, that a capital city should be the mirror of a nation, and while it is true that this house of parliament is the voice of the nation and that the population of the city of Ottawa represents a cross-section of the population of this country, I do not think we have reached the point where we can say that our national capital is truly a picture of the architectural and artistic evolution of this nation. Progress has been rather slow in implementing any suggested plan to make this a truly national capital.

As I have said before, the great difficulty with the whole plan is the fact that there is a conflict of jurisdictions. The eminent architect, Mr. Jacques Greber, submitted a plan to the government years ago, but that plan has never received any approval, in whole or in part, by all the jurisdictions involved, municipal, provincial and federal. When any part of the plan has had to be put into effect a decision has had to be reached on the particular part. This takes a long time. Some way must be devised by this committee whereby the greater part of the plan can be outlined for the future for approval by the federal government and for sanction by the provincial governments and the municipalities involved.

No one will deny that we have made great progress in beautifying the city of Ottawa. Other speakers have referred to our excellent driveways and beautiful parks. A number of bridges, including the Sussex street bridge, Hurdmans bridge, Bronson avenue bridge, as well as a number of other projects, have been completed, but we are far from having what could be called a planned city. As one speaker has said, there has been no approval of a green belt. There has been no approval of zoning regulations in the city. Our zoning is some 25 or 50 years behind because even in the best residential sections we find small stores being erected alongside beautiful apartment buildings. One of the duties of this committee should be to direct the federal district commission to exert efforts to convince the municipalities in this area to provide proper zoning.

When we refer to the progress that has been made in the plan to beautify the city of Ottawa I do not want hon. members to think that this has all been done at the expense of the federal government. We who are residents of the city of Ottawa appreciate the fact that we live in the national capital, but it must be remembered that the improvements being carried on in this area represent a great deal of expense to ourselves. As the Leader of the Opposition (Mr. Drew) said, I believe last night, some of the things that have been done and have been shared in by the city of Ottawa were much greater projects than would be required or would be undertaken by the city for its own purposes.

In order to assist in the Greber plan the city of Ottawa some years ago annexed thousands of acres around the city which it did not immediately need. This represented considerable expenditures for sewage, water and transportation, and also increased taxation for the people who had settled in those areas. Many people in Ottawa had their property taken over by the federal district commission. Those people were quite satisfied to live alongside the Ottawa or Rideau river as many of them had been living there for years. However, they had to move to new locations which they acquired at greater cost and on which they had to pay greater taxes.

I say these things in order to indicate that the citizens of Ottawa are co-operating. It is costing them money to be part of the national capital plan. They are willing to incur this cost and they welcome the spirit in which this resolution has been received and the manner in which speakers have expressed themselves yesterday and today. When the committee has received all information from witnesses who will be appearing before it, it should be able to recommend to parliament a more substantial amount of money to be voted immediately to the federal district commission, and also to indicate a program to be followed so as to accelerate the completion of the plan. I hope that the committee will recommend that greater assistance be given by the federal district commission in implementing any particular project in co-operation with the city of Ottawa.

I think there are certain projects in connection with which the city should not be asked to contribute. I have in mind the need for a bridge between Ottawa and Hull. The building of this bridge should not be delayed. I think it is shameful that there is no proper approach by car or on foot between the province of Quebec and the national capital of Ottawa. The federal government has acquired considerable land on the other side of the river and the printing bureau has been moved to Hull. No doubt

the government intends to build other buildings in Hull and the building of a bridge across the Ottawa river should be considered as part of the national capital plan. It is all right to refer to the beautiful buildings we have in Ottawa, but if you are thinking of the aesthetic I do not think there is anything more useful and attractive than a beautiful bridge across such a lovely river as the Ottawa. I hope that the committee will give consideration to the building of this particular bridge which is in such great demand at the present time.

I do not intend to repeat what I said last year about what I considered to be the unfair way in which land was taken over by expropriation proceedings for use by the federal district commission.

I shall only repeat what I have said on previous occasions, that I consider that the Expropriation Act, being an impingement upon the civil rights of a citizen, should be used lightly, sparingly but generously. Many of our people are not very happy. Hundreds of homes in this area have been expropriated by the federal district commission. There was no question of going to court. A private citizen cannot go to court against the government when an amount of $10,000 or $12,000 is involved, though big corporations or religious institutions can afford to do so because the amount involved is substantial. I have had very many complaints in the past about this kind of thing, and I hope this committee will consider the effects of expropriations upon individual owners of property in this area. I am not going to speak any more about it. My suggestions about the Expropriation Act will go to the Minister of Justice when the proper occasion arises, but at present I shall leave it at that.

I only hope this committee will have full opportunity and time to look into all the matters that have been raised by the different speakers here this afternoon. I hope also the government will take into consideration the suggestion I and others have made that this committee sit more often in order that we may play a more important part in planning a truly national capital around this area.

Mr. D. S. Harkness (Calgary North): I think everyone in the house welcomes the setting up of this committee for the purposes outlined in the resolution:

—to review and report upon the progress and programs of the federal district commission in developing and implementing the plan for the national capital.

The terms of reference and powers of the committee seem to be sufficient for the purposes for which the committee is being set up. Possibly the fact that this is a joint committee of members of this house and members of the other place is a good thing from that point of view. In the years I have been here I have noted that joint committees generally have a freer hand than many of the committees composed of members of this house alone. Probably the experience of members of the other place will be of great advantage to this committee.

This is probably an appropriate time to set up the committee and inquire into what the federal district commission has done and proposes to do, because the capital grant of $25 million in annual instalments of $2½ million each, I think, runs out in about a year's time. Therefore undoubtedly recommendations will need to be made in regard to a further capital grant to enable the commission to carry on its activities.

A great deal has been accomplished in the past. One has only to look at photographs taken of various parts of Ottawa 50 years or so ago and from that time on to see what a difference there is in the general attractiveness, shall we say, of the city now as compared to what it was in the old days. I am not going into what extent this has been accomplished by the commission and to what extent it has been accomplished by the municipal authorities of Ottawa and the surrounding municipalities. Probably the major part of the work has been due to the commission. If not done by them directly, at least it was due to the impetus they have given to this whole matter of the beautification of Ottawa.

During the ten years or so that I have been down here, during the times when the house was in session, it has seemed to me that the permanent residents of Ottawa—and this is also reflected in the Ottawa daily newspapers—are seized with the idea that the beautification of Ottawa is primarily a local matter, that it is an Ottawa matter. I think that is a wrong attitude. Certainly if that were the primary idea in the beautification of the city it would be difficult to justify the comparatively large capital grants, to say nothing of the maintenance grants, which are made to the federal district commission, and the work that it does.

In other words I think the work done by the federal district commission must be looked upon as a national undertaking to create here in Ottawa a capital of which the country can be proud and in which every citizen of the country, when he comes here, can go about and take a proper degree of pride. The grants made by this parliament to accomplish this beautification process are justified, I think, on those grounds.

In his statement last year the Prime Minister referred to the national capital as a symbol of the unity of the country and

so on. The city, of course, is naturally very much interested. The people who live here permanently are the people who receive the greatest benefit from the various beautification projects that are put into effect, the parks that are established and things of that sort. I noted that when the Prime Minister was dealing at some length with the federal district commission on July 27, 1955, he spoke of the municipal grants and went on to say:

> Given these grants, there is no reason for regarding the activities of the federal district commission in the planning and creation of a national capital as being in any way a substitute for the payment of full taxes to the city.

It is extremely desirable that the idea be made very plain, and I hope it may be one of the things the discussions in the committee will make plain, that the work done by the federal district commission should in no way be in lieu of taxes or in lieu of a grant or anything along that line, but that this work is undertaken as a means of creating here a city which all Canadians can look upon as a proper capital for this great country.

One of the most important things the federal district commission has to do is in connection with the green belt, which has been mentioned by several speakers already and with which the Prime Minister dealt in his remarks last year at considerable length. This green belt, as I see it, will particularly provide park land on this side of the river. As indicated by the hon. member for Rosetown-Biggar, we have in the Gatineau park a very beautiful natural park of considerable size, which provides a playground to which people from here and from other parts of Canada can go to enjoy themselves. However, to round out the development of this whole area as a capital city we need a very considerable amount of park lands on this side of the river, as envisaged in this green belt.

I should hope that the committee will give a good deal of attention to the green belt and make specific recommendations that will result in something definite being done in regard to the setting up and preserving of this green belt. Some of the remarks made in connection with that green belt last year by the Prime Minister led me to wonder whether at that time the government had any very strong intention of ensuring that this green belt be preserved. The only thing that he definitely indicated was being done was that Central Mortgage and Housing Corporation was instructed not to make loans to people who wanted to build houses in what was envisaged as the green belt. In connection with the green belt he went on to say:

> . . . we find ourselves frequently met with the suggestion that the federal district commission or the government should acquire land in order to control its use.

Then he mentioned various types of property and went on to say:

> . . . and finally, properties in the areas which have been proposed as a green belt around the cities comprising the national capital.

A little later, as found on page 6902, the Prime Minister said:

> These situations which I have described and illustrated all require some zoning and control. It seems to us to be inappropriate that the federal government should undertake this function, even in the capital area. It belongs more appropriately to the provinces and the municipalities to whom our constitution and traditions give jurisdiction in these matters. But this government hopes that these local responsibilities will be effectively discharged.

I would hope they would be effectively discharged, too, but unless the dominion government gives a strong lead in the matter through the federal district commission, even extending to the purchase of a certain amount of these lands in order, as the Prime Minister said, to control their use, I doubt very much that the green belt will actually be preserved. I understand there has been a certain amount of building in it already and, with the rate at which Ottawa is growing and expanding rapidly into the suburbs and beyond, unless some purchasing of land is carried out by the federal district commission or there is a much closer integration of effort among the commission and the municipal and provincial authorities concerned the green belt will disappear. Then the task of restoring it will become very much more expensive and difficult. As I say, it seems to me that one of the things necessary at the present time is to take action to ensure that the green belt is held and made a definite part of the activities of the federal district commission with respect to the whole plan of beautification of the city.

There is one other point I should like to mention briefly, and it has to do with the preservation of certain historic buildings. The hon. member for Rosetown-Biggar said something about Old Chelsea and the possibility of erecting there a replica of the first mill established in this part of the country. There are certain buildings of some considerable historic interest in and around Ottawa which I think the federal district commission might very well acquire and preserve as one of their activities. They actually own two or three such buildings at the present time. In my opinion one of them is one of the best

examples of domestic architecture, a very fine stone house built somewhere around 125 or 130 years ago.

There are a few other buildings of that nature which I think should be preserved in the interests of all Canadians in order to indicate the type of building in which our ancestors lived. In addition, in many cases they are extremely attractive buildings that are worth preserving simply from the esthetic point of view. I would hope the federal district commission would do more along that line than it has so far and that the few buildings it has under its control at the present time will not be destroyed in order to make way for the erection of some other buildings. This could readily happen, and of course it has happened in the case of a lot of buildings both here and in other parts of Canada.

When the committee is set up I trust that it will have sufficient time during the remainder of the session to cover what I regard as the very considerable amount of work with which it will be faced, and that it will be able to bring in a satisfactory and comprehensive report.

(Translation):

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I wish to congratulate the government for setting up a committee to review the progress and the work of the federal district commission in the implementation of the national capital plan. Like all Canadians, I am anxious to see that plan fulfilled so that we may have a capital worthy of such a young, rich and prosperous country as Canada.

As member for the constituency of Gatineau, I am interested in the development of the national capital because two thirds of the national capital district are located within Gatineau county and 17 municipalities of my constituency are within that district.

Moreover, a national park has been planned for the Gatineau hills. It is a scenic area and this will be the first national park in the province of Quebec.

The members of the committee will have much work to do in investigating the present situation and in preparing a report on future projects.

In listening to the comments of hon. members in connection with that committee, I noticed that the Leader of the Opposition (Mr. Drew) is not well informed on part of the implementation of the program.

(Text):

At this point I wish to make a few comments in the English language in order that the Leader of the Opposition will understand what I have to say with regard to certain remarks he made this afternoon which I feel are inaccurate. In his remarks he mentioned that in its report in 1944 the joint committee had suggested that the removal of the railway lines in Ottawa and the station should be carried out as soon as possible. He stated that there had been very little done in this regard.

Mr. Drew: Mr. Speaker, I must correct that immediately. That is not what I said. What I said was that the report had recommended that negotiations take place between the commission and the representatives of the railways to discuss what should be done with the rail lines. I did not mention the station or refer to any detail concerning it. As a matter of fact I was merely summarizing the very general statement in the report of 1944 and indicating that it had not been specific enough to produce any result.

Mr. Leduc (Gatineau): I have here the 55th annual report of the federal district commission for the year 1954 and I wish to read a paragraph on page 14 having to do with the removal of the railroads and the station in Ottawa. This is the key to the plan of Mr. Greber. When the tracks and the station have been removed, arteries will be available for new streets and parkways in the centre of the city. In the report it is stated:

> The national capital planning committee studied the physical features of greater Ottawa and found that the waterways of the Rideau river and canal and the existing railway trackage divided the city into nine separate "islands", thus causing many bottlenecks and hampering the free flow of traffic. In addition the railways had induced the development of industry in residential districts and in areas of government buildings. While the present railway and industrial areas are considered out of keeping with the character of a national capital, the committee recognized the vital role played by industry in the economic life of the metropolitan area. It therefore recommended the removal of all railway lines from the central area and their replacement by a new line along the southern boundary of the future city. Substantial areas of land in the southeast section of Ottawa and the northern section of Hull were acquired for new railway yards, freight terminals and a future union passenger station. The land acquisitions provide space for light and heavy industry which would have to be relocated as a result of the railway revisions.
>
> Construction of these new railway facilities was started in 1950. The work included overhead crossings on the new railway line for the Russell and Metcalfe roads. In 1951 a connection was made at South March between the Beachburg and Renfrew subdivisions of the Canadian National Railways, permitting trains to reach central Ottawa by the new Walkley road line and thus releasing the crosstown tracks for conversion to highway purposes. In November 1953 the Canadian National Railways Montreal-Winnipeg manifest freight trains began using the new line and yards. At the end of 1954 the Canadian National Railways also began to transfer its yard office operations from Bank street to the new facilities. Service trackage will be maintained between the present Union station,

Ottawa East and the Chaudiere areas until the completion of the relocation of existing industries and the union station.

Mr. Speaker, a great deal of work has been done in connection with the removal of the railway tracks in Ottawa. Already talks are being held between the C.P.R. and the C.N.R. with a view to construction of a union station outside of the city of Ottawa. Mr. Greber, when visiting Ottawa last year, stated in a press conference that he was greatly impressed with the progress that had been made in the development of the master plan in Ottawa.

Many people do not realize what has been accomplished since the report was tabled in this house in 1950. Many bridges have been erected in Ottawa. I should like to mention some of them. They include the Mackenzie King bridge, Hurdmans bridge across the Rideau, the Bronson bridge across the Rideau, the two bridges across the Rideau on Sussex street and the improvement of the Chaudiere bridge last year. If more progress has not been made toward the realization of this project, it is owing to the fact that the amount voted each year by this parliament is not sufficient to permit work to be carried on more rapidly looking to its completion. The house must understand that the federal district commission in the last six or seven years has acquired many valuable properties. It has acquired those properties in order to save the Canadian taxpayers' money in connection with the future development of this capital.

I am sure this committee has a real function to perform. With the advice of the members of the federal district commission and of the technical advisers of the national capital committee, I am confident that we shall get all the information we need to prepare a substantial report so that in the near future we shall see the realization of this vast project.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I too rise to support wholeheartedly the setting up of this committee, though I wish the terms of reference had been a little more extensive.

It is almost 60 years since parliament initially became concerned about the rather haphazard way in which the capital area was developing. Apparently back in those years the natural beauty of the district was deteriorating rapidly. As has been pointed out in this debate, in 1899 parliament set up what was known as the Ottawa improvement commission, which later changed its name to the federal district commission. The purpose of the commission was to carry out a program of beautification in the capital area.

Through the years a feeling has grown up across Canada, that this country wants a beautiful, well-planned and distinctive national capital in keeping with our traditions as a growing nation. That attitude was given tangible recognition in 1946 by parliament when, after a joint committee was set up, the powers and responsibilities of the commission were greatly extended. Hon. members who were here then will recall that at that time financial assistance to the commission was also substantially increased. A master plan was drawn up, and the commission have been working steadily toward the achievement of that plan.

Today we have heard a good deal about the need for more culture, art and beauty in the national capital. I am all in favour of such suggestions. Perhaps I should be somewhat hesitant in talking about the more mundane subject of dollars and cents. Nevertheless I should like to do so for a moment or two, because this federal district plan, before it is completed, is going to cost the taxpayers a substantial sum of money. I have done a fair amount of reading within the past few weeks in an effort to find out exactly how much has been spent already. As nearly as I can estimate, the amount now exceeds $60 million. That sum, of course, has been contributed by all the taxpayers of Canada.

This year, as nearly as I can figure, the federal treasury will be giving to the Ottawa district the sum of about $7½ million. Part of that amount is a grant to the federal district commission, part of it is a payment under the Municipal Grants Act, part of it is a payment of interest on Ottawa bonds, and so on.

This master plan, before it is completed—if what I have read is correct—will probably cost in excess of $100 million. As a matter of fact I would be greatly surprised if it is achieved within $100 million. That is a good deal of money. I for one should like to know for certain that this huge sum of money is being well spent and that the taxpayer is receiving value for the expenditure. I suggest that such an investigation is one of the main duties of this committee.

In a general way, I think the work of the commission so far has been good. It appears to me that its operations have been quite efficient. Certainly its activities have made a tremendous impact on the appearance of this city. I note that according to their last report, 75 per cent of the land they will need has now been purchased.

Nevertheless, there are many people in Ottawa and in the country who feel that the progress toward achieving a beautiful national capital has been too slow. I think the hon. member for Gatineau (Mr. Leduc)

mentioned that when Mr. Greber visited here a short time ago he expressed such an opinion. I am certainly inclined to have such an opinion. I could be completely wrong, yet I wonder if some of the very large sums that parliament has been expending in this district for beautification purposes have been, in some ways, siphoned off for purely local projects.

I will say quite frankly, as a western representative, that I have been somewhat concerned by the apparently endless demands upon the federal treasury which Ottawa municipal officials seem to make. I sometimes wonder at what point they will be satisfied.

I have in my hand a clipping which I took from the Ottawa *Citizen* a few weeks ago. It is headed, "Rockcliffe wants F.D.C. to call Meeting on Mosquito Control". It goes on:

> The federal district commission will be asked by Rockcliffe village council to call a meeting of all Ottawa district municipalities to try and work out fair contributions toward mosquito control.

Well, Mr. Speaker, I would say this is the kind of expenditure toward which I do not think the federal treasury should have to contribute. Other parts of the country look after their own mosquito control.

Today the federal government is paying under the Municipal Grants Act an amount which, as I understand it, is 96 per cent of normal taxation. It seems to me that Ottawa and district municipal officials should realize that the federal treasury also is paying out very substantial sums of money for driveways, bridges, parks and the like the costs of which in most constituencies of Canada are borne by the local taxpayers.

I would remind you, Mr. Speaker, and the house that Ottawa is the only national capital in the world where the federal government has absolutely no say in the management of the city. In view of the huge sums of money which have been paid out, and in view of the huge sums of money which are going to be paid out, in the next several decades, I think this situation is intolerable. I feel that it violates the principle of no taxation without representation.

As I said a moment ago, and as many other speakers have said, Canadians from coast to coast have accepted the view that we should have a beautiful, dignified, and distinctive national capital. But that laudable objective is now 60 years old. We have spent already more than $60 million, and there are some hon. members who still think that perhaps our capital is not beautiful.

There is a growing feeling, and frankly I share it, that the slow progress in achieving this objective is due fundamentally to the incompatibility of a small-type municipal government resting in an area which is representative of the people of Canada as a whole. I think there is a growing feeling that parliament, if it is going to achieve its objective more quickly, should exercise more direct control.

I think the time has come for parliament to consider setting up in this area a federal district similar to the one which exists in Washington, D.C., but with certain important modifications. For instance, I see no reason why education should not remain with the provincial authorities. I see no reason why the citizens of the federal district should not still elect representatives to the legislature and to parliament. Perhaps they should even set up a portion of their own council. At this moment I am not interested in the details, but I think the principle of a federal district should be seriously considered by this committee when it is set up.

Hon. members in various parts of the house have made a good many suggestions about the duties of the proposed committee. I have one or two others that I would add. I believe the committee or parliament should consider transferring jurisdiction over the federal district commission from the office of the Prime Minister to the Minister of Public Works. I certainly say that in no derogatory way, but it does seem to me that the Prime Minister is far too busy with more important matters, to bother with the details which are connected with the Federal District Commission.

I believe the Federal District Commission was originally placed under the Prime Minister's office because of the personal interest of Mr. King, but I think it was only meant to rest there temporarily. Our Minister of Public Works is a trained engineer, and I do believe he would have more time to give consideration to the various details involved.

We have heard much this afternoon about the sewage disposal problem in Ottawa and the pollution of the Ottawa river. I have been very surprised at the continued apathy of civic officials in permitting the continuation of this situation, which is endangering the health of so many people.

I say too that this committee, when it is set up, should reassess the whole relationship between the city of Ottawa and the federal government.

In the light of that thought, Mr. Speaker, I should like to propose an amendment for the consideration of the house. I regret that I had some difficulty in getting a seconder. I approached the hon. member for Edmonton East (Mr. Holowach) to ask if he would be kind enough, as a courtesy, to second my motion.

He agreed to do this on the understanding that he might not necessarily support it. I wish to move, Mr. Speaker:

That after the words "national capital" in paragraph 1, the following words be inserted:
"and also to consider the advisability or otherwise of forming a federal district under the jurisdiction of parliament in the Ottawa area."

Mr. Deputy Speaker: I have some doubts as to whether this form of amendment to the resolution is in order, but I shall express an opinion on that later.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I would like to take a few minutes to express my views on this matter.

Let me first of all congratulate the right hon. Prime Minister (Mr. St. Laurent) who wishes to afford the house an opportunity of getting better acquainted with the work of the federal district commission. It is a necessary step and I know that the members of the commission are anxious to have their activity investigated by the house so that all hon. members may be conversant with developments concerning the national capital.

During the two years that I was mayor of the municipality of the city of Hull, I had the privilege to sit on the federal district commission and to appreciate the tremendous and serious work it has accomplished. It is made up of 20 members, who serve without remuneration and work voluntarily to ensure the development of the national capital. These people deserve the admiration of the nation because they do their work cheerfully and as a service to their country.

As representatives of the city of Hull, we had the opportunity to deal with the federal district commission and those dealings have been indeed most pleasant. The commission did not try to enforce its views; it came to discuss matters intelligently in order to secure certain concessions in exchange for other concessions on its part.

I can therefore state that, in those two years, the city of Hull received fair treatment and, in return, gave fair treatment to the commission, as was only right. A number of matters, especially the matter of expropriation, came up during those discussions. In connection with the Gatineau area for instance, there was a complaint about the fact that, in the neighbourhood of Kingsmere, some private properties had not yet been bought by the federal district commission. It was even suggested at that time to resort to expropriation in order to oust people who had owned these properties for years.

Had the hon. member who spoke thus taken the trouble to study the matter of expropriation in relation to Quebec provincial legislation, he would have found that jurists disagree on that score. We rather feel that the federal government cannot expropriate unless it plans to build a public building to house some of its administrative services.

Since, therefore, the federal government, according to certain authorities, has no right to expropriate, we would very much like these purchases to be made by mutual agreement. In any case it is very unfortunate, as the hon. member for Ottawa East (Mr. Richard) has pointed out, that certain people should be dispossessed of their property and allowed in return only the present real value since they have to spend two or three times as much for new accommodation.

If we must expropriate, we should pay a price based not on the present real value but on the replacement value, so that those who have been deprived of their homes in this way should not have to run into debt when they rebuild. A great many property owners, particularly on the Ottawa side, had their homes expropriated, got $8,000, $10,000 or $11,000 for houses in which they had spent a lifetime and then had to finance the payment of a house costing $20,000 or $22,000 to build. People of 65 or 70 were therefore forced to borrow money they might never be able to repay. Even though it is legal under certain conditions, it becomes somewhat costly, and the eviction of people who have been property owners for years should not be encouraged.

I want to state again that, when we speak of having an auditorium for the development of higher culture, I am all for it.

The federal district commission and the federal government should do all they can to help develop a taste for the arts. However, before we put up such a building, it seems to me we should make it accessible to the people. Traffic between Hull and Ottawa is unbelievably slow. In fact, it takes over three quarters of an hour to cover the distance between Parliament hill and Laurier street, across the river. It is well known that the Alexandra bridge, built in 1900, is a monstrosity and no longer answers today's requirements. It is absolutely necessary that this bridge be replaced, especially as we cannot go on waiting hours to move from one city to the other.

We are told that the situation is now under consideration and that the provincial governments concerned have been approached on the subject.

I think these negotiations should take place without delay, so that this matter will not drag on for ten years, and that the situation may be remedied as soon as possible.

I think it has become essential to build that bridge, and I believe that responsibility should be transferred from the Department of Public Works to the federal district commission. And to those who would remind us that funds are lacking, as it has been mentioned, and that some $60 million have already been spent, I submit that we should spend a few millions more on that construction, and I am all for it.

We should also consider changing the name of the federal district commission to that of the federal capital commission. Some one might say "What's in a name", but I know that people are prone to attach a derogatory sense to the words "federal district". In the past, and again this afternoon, we heard the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) ask for a federal district similar to the District of Columbia.

I am certain that my fellow citizens do not share this view at all and that they would not like to be transferred from a town or province into another, nor be submitted to a federal district where we might have difficulties with our system of education and otherwise. If the hon. member for Moose Jaw-Lake Centre had discussed the matter with Mr. Greber, he might have learned that not only the District of Columbia, but also the Federal District of Mexico and another such district in South America, that were patterned on the District of Columbia, have been failures from every point of view. This is the reason why Mr. Greber has never recommended setting up such a federal district.

It is useless to think about it, for you may be assured that not only my fellow citizens from Quebec, but also those in Ontario, will vigorously oppose it. We like our present position and want it to remain as it is. We do not want to lose our rights as citizens and we shall preserve them, whatever the expressed wishes of some members may be. Indeed, the mayor of Ottawa told me that she was opposed to it and that the government of Ontario would never allow such a project to be carried out.

Well, Mr. Speaker, before I suggest any such amendment, it would seem to me that we should study the results obtained in other similar districts, so as to know the reactions of their residents who see their tax burden growing and have nothing to say about it. It is true that, in the District of Columbia, the government of the United States pays part of the expense, but the portion attributed to the municipalities constantly grows while people cannot very well say whether they are satisfied or not. We do not propose to act in this way; nor, in my view, does the government.

Someone has referred to the Gatineau park and to some of its charming localities, to Kingsmere in particular. This centre is very beautiful and I do not think that summer cottages could mar its natural beauty. The old wooden buildings found there give the centre its quaint, individual, character. The homes themselves are neither unsightly nor dangerous. We should try to preserve not only the natural beauty of the area but that of the houses which have been built since, as it is part of our heritage.

I need not go any further, I think. I could perhaps object to some of the remarks which have been made on that subject but I know that all these matters will be fully gone into by the members of the committee we are being asked to set up. If, as I hope, I have the privilege of sitting on the committee, I will have an opportunity to refute these arguments.

(*Text*):

Mr. Deputy Speaker: When the amendment to this motion was presented I immediately expressed some doubt as to whether it was in order. I have since refreshed my memory as to the authorities, and I should like to direct the attention of hon. members to citation 546 in Beauchesne's third edition, which reads in part as follows:

> When the house is considering a motion, of which notice has been given, for the appointment of a select committee, a member cannot move in amendment that the committee be given wider powers than those which were set down in the notice.

The citation goes on to give several instances of amendments which were ruled out of order on that account. At page 642 of Beauchesne's third edition hon. members will find a ruling by Mr. Speaker Black to the same effect. Also, citation 355 reads:

> An amendment was ruled out because it raised a new question which could only be considered on a distinct motion after notice.

For these reasons I am afraid that I must regretfully rule the amendment of the hon. member out of order.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I shall be brief because I have no intention of entering into a general discussion of the work of the federal district commission. However, I do want to bring one matter to the attention of the house, and to support the suggestion made by the hon. member for Rosetown-Biggar that we should have something along the line of a theatre under the stars or, as suggested by the hon. member for Edmonton East, that the federal district commission should build an auditorium which would be available for dramatic plays, concerts and the like.

I would point out that the province of Alberta took a step in this direction which the federal government might well follow. The provincial government gave auditoriums to Edmonton and Calgary on the celebration of the fiftieth anniversary of Alberta becoming a province. Those auditoriums cost the provincial government something over $3 million each, and they were donated to those cities to be used in furthering culture, drama and so on.

In order to point up the need for such an auditorium in this area I should like to mention what happened to me last summer. Hon. members will recall how hot and humid it was here in Ottawa during the latter part of the session, and on Sunday afternoon I drove out to Kingsmere in order to get out into the country for a little relaxation and some country air. I wandered around looking over the ground, and started up a path where I found someone taking tickets. Apparently the facilities of the park had been turned over to some organization to put on some sort of concert, play or something of the like. The public was unable to go there and range over the grounds and look around as they should.

The only way I would have been able to get into Kingsmere that Sunday afternoon was by buying a ticket for the play which was going on. There were literally hundreds of people out there that day who no doubt wanted to look around this wonderful show place and avail themselves of the facilities provided for tourists. Walking around the parking lot I saw licence plates from practically every province in Canada and a good many of the states of the United States. Those people were all turned away because the grounds had been turned over to this organization to put on a play.

I have no objection whatever to the furthering of culture or the providing of facilities for charitable and religious organizations or other types of organizations which might want to put on productions of different kinds, but I do not think one of Canada's show places should be closed on a Sunday afternoon in order to provide facilities for some organization to put on a performance for which an admittance was being charged.

I do not mind saying that I felt pretty badly about it. I was rather upset to think that this park which had been turned over to the people of Canada as a show place should be closed to those very people on a Sunday afternoon. I think this points up the need for some sort of auditorium which the federal district commission could turn over to worthy organizations.

I heard a lot of complaining among the people who were there. I did not speak to any of them, but it was quite easy to see what their feelings were. A good many of them had travelled many miles only to find that they could not get into this park.

As I said before, I should like this committee to consider this matter of providing facilities for organizations such as little theatre groups, orchestras and so on.

This or any other park in Canada set up for the welfare and enjoyment of the Canadian people should under no circumstances be closed to the public and the facilities turned over to private organization, no matter what that organization may be. I ask the house, the Prime Minister and this committee to follow the lead of the Alberta government and provide an auditorium somewhere under the control of the federal district commission. This could be located in the green belt or in one of the parks, and these facilities made available to various organizations.

Then our parks and show places could be maintained for the public and made available to them whenever they desired to visit them. As I say, there were a good many people there that Sunday, and I imagine many of them will not be able to make a further visit. I could not blame them for feeling discouraged and rather badly about being turned away that Sunday afternoon.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I think it is advisable in considering a resolution of this kind that we have as widely representative a viewpoint as possible. The last occasion parliament had a chance to review the activities of the federal district commission in connection with the national capital plan was in 1944, at which time considerable interest was generated throughout the country in the prospect of a place of beauty, a city of beauty, arising here in Ottawa.

However, since that time there has been no direct discussion of the matter by a committee, and I have the feeling that Canadians living in provinces more remote from Ontario and Quebec are somewhat out of touch with the developments which have taken place following the plan laid down during the sessions of the committee in 1944. At that time, I recall, looking at the problem from the viewpoint of an outsider, there was considerable interest generated. However, more recently, I am afraid, in other parts of the country the general public has not been keeping in touch with the developments taking place.

I first had the opportunity to visit the capital in 1942. Like most Canadians who come to Ottawa for the first time, my first reaction was that of disappointment. We tend to regard the capital of any nation as a place of beauty, a show place to a certain extent, because of the peculiar position it occupies in the affairs of the country. Unfortunately, because of the lateness in starting to plan our capital city on an organized basis, up to the present time Ottawa, like most of our Canadian cities, has just grown. There has been no organization of any kind. Fortunately during recent years, since the committee of 1944, there is some obvious evidence that the plans laid down on that occasion are at long last beginning to take shape.

Ottawa is also in the fortunate position that it has one of the best possible natural locations for a capital city. In 1942, when I viewed the city for the first time, I did so from what might be called the bird's eye view, from the air. Being connected with the air force at Uplands airport at the time I had a chance to fly over this area quite regularly, and from that perspective the district surrounding our capital city certainly appears one of extreme natural beauty. Any of the deficiencies that are criticized by visitors to Ottawa from more remote parts of the country are the result of delay in development and the unplanned growth of the city since it was first chosen to be capital of this young country. The nature of the early commercial activities, of course, has added some eyesores to the surrounding district which are only gradually being eliminated.

It was more by accident than by good judgment that the most attractive feature of the city at the present time, the federal district commission driveway, associated closely with the Rideau canal, grew out of that early defence measure Colonel By took in the years Canada was under threat of attack from our neighbour to the south. That has now become a central feature of the city and is one part of the capital that we can show to visitors with a great deal of pride.

As we come to the activities of the committee about to be set up, there are one or two suggestions I have in mind that I think should be drawn to the attention of those who have the privilege of serving on the committee. It has been pointed out already in this discussion that the original intention of the planners who first began to think in terms of a more rationalized development of our capital city was to pattern it after the city of Washington, the capital of the United States. As I see the development taking place, particularly in reference to buildings already constructed by the Department of Public Works, I get the feeling that the pattern in that regard is almost too close. The buildings that have already appeared on Wellington street, for example, seem to suggest that we are going to emphasize heavy stone types of structures reminiscent of an architectural age that is now some 200 or 300 years in the past.

I have not examined this question in any detail at all, nor am I any authority on architecture, but the general impression from casual observation is that the emphasis in our public buildings in this downtown area is going to be on huge monuments of stone. Maybe it is a deliberate attempt to reconstruct in Canada the equivalent of Constitution avenue in the city of Washington, D.C., but it seems to me the reverse of the architectural trend that is under way on this continent, where the emphasis in recent years has been on less ponderous structures designed for utilitarian, functional purposes, where the emphasis is not on the appearance of grandeur but rather on the suitability as work areas.

Most of these buildings are going to be occupied by civil servants. I take as a concrete example of this new modernistic trend the sort of structure that you see in the United Nations building, with emphasis on accessibility, surrounded by grassed areas, with a considerable part of the building devoted to window space. The United Nations secretariat building is often referred to as the glass house, mainly because at a distance the walls appear to be entirely constructed of glass.

As I have pointed out at the commencement of these observations, Canada has delayed somewhat long in coming to grips with this problem of building a capital worthy of the nation. That has had certain disadvantages, which have been outlined. We have seen a city grow up around parliament hill that has all the undesirable aspects

of the rapid growth of our modern cities, but it has this advantage. We are now in a position to start from scratch, as it were, so far as the architectural features of our capital plans are concerned. It would seem from a common sense standpoint much more desirable to project our thinking into the future and try to gear our architectural developments to the future, rather than tie them into the past.

It might be true that a certain atmosphere of grandeur is required in order to provide the necessary stately avenues for ceremonial and state occasions. But if we are thinking in terms of the era of capital city development of two or three hundred years ago; if we are trying to recreate here the atmosphere of some of the European capitals, I feel that we are decidedly out of touch with the general atmosphere of a country such as Canada, where there is a certain degree of modesty surrounding the living habits of the people as a whole. That is the main point I want to make in this discussion.

I have one final suggestion I should like to put before the house. The sittings of the committee will provide another occasion to arouse the general interest of the people of Canada from one end of the country to the other. I suggest that we use every possible opportunity by means of television, radio, every form of mass media communication that we have today, to bring the results of the deliberations of the committee before the people of Canada, and to bring before the people of Canada such outstanding events as the annual tulip festival. Only by so doing can we create the sentiment right across the country that will draw the attention of every Canadian citizen to the importance of the comprehensive development of our capital city.

In view of some of the difficulties that have been outlined with respect to the relationships between the various levels of government in trying to come to a co-ordinated agreement on national capital development, if there is no other solution whereby closer co-ordination can be maintained perhaps it would be advisable for this purpose to have a committee of this type sit more frequently so that we will be assured of a capital city, a capital area, worthy of a nation occupying the position that Canada does in the modern world.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I want to add one or two brief remarks and relate them chiefly to some of the things said by the Leader of the Opposition. I read in the resolution that a joint committee is to be set up, and so on, to review and report upon "the progress and programs in developing and implementing the plan for the national capital". The Leader of the Opposition spoke at considerable length about the physical aspects of this development. He spoke about streets and bridges and all the necessary things which enter into a plan, but the point I wish to refer to and which he stressed greatly is what one might call the cultural side of the matter.

He referred to a national theatre and the national gallery. I want to mention that for this reason. It seems to me that the communists are facing us with an entirely new threat, and it is in a sense not a physical but an educational threat. They are making us apprehensive lest, unless we distort our education, unless we stress technical education almost wholly, we may be left behind and one day find ourselves faced with overwhelming threats in the economic world.

It is for that reason that I wish to emphasize what the Leader of the Opposition said. I think there is a danger in our country that we may become not only exhilarated but even fascinated by our material progress. That is natural and inevitable, and I think healthy too, but on the other hand it does mean that we need to be called back, so to speak, from time to time to consider these other aspects of life. Therefore I was glad that the Leader of the Opposition spent a good deal of time not merely talking about the mechanical processes of our day to day lives but speaking about the art of living. By that I mean, of course, literature, painting and all the other things that go with it. When we look back we do know that in ancient days there were cities that have left their mark ever since. The city of Athens 2,500 years ago was, I suppose, about the same size as Ottawa, and it has influenced the whole world by the literary and artistic legacies it has left.

So I venture to express the hope that the committee in considering its work may feel there is a wonderful opportunity here in Ottawa for a lead to be given, and what an opportunity we have in this country, a kind of double opportunity because we have two great cultures. It seems to me that the committee would do well to consider its responsibilities in that direction. We are prospering greatly. We read almost fabulous figures of our material progress, and I hope that in the consideration of those we will not be lead to disregard these other things.

Motion agreed to.

PERSONNEL OF JOINT COMMITTEE

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, may I ask leave to revert to motions?

Mr. Speaker: Has the hon. gentleman leave to revert to motions at this time?

Some hon. Members: Agreed.

Mr. Weir: Mr. Speaker, by unanimous consent I move, seconded by the hon. member for Portneuf (Mr. Gauthier):

That Miss Aitken and Messrs. Blair, Buchanan, Caron, Coldwell, Dumas, Fraser (St. John's East), Fulton, Gour (Russell), Houck, Leduc (Gatineau), Low, Mang, McIlraith, Noseworthy, Nowlan, Philpott, Richard (Ottawa East), Robichaud and Weselak act on behalf of this house on the proposed joint committee of both houses of parliament to review and report upon the progress and programs of the federal district commission in developing and implementing the plan for the national capital as provided for in the motion adopted this day; that the provisions of standing order 67 be suspended in relation thereto; and

That a message be sent to the Senate to inform Their Honours that the foregoing members have been appointed to act on behalf of the commons on the said proposed joint committee of both houses.

Motion agreed to.

CRIMINAL LAW

JOINT COMMITTEE—APPOINTMENT OF MEMBERS TO ACT ON BEHALF OF COMMONS

Hon. Stuart S. Garson (Minister of Justice) moved:

That a joint committee of both houses of parliament be appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent;

That Miss Bennett, Messrs. Boisvert, Brown (Essex West), Brown (Brantford), Cameron (High Park), Castleden, Fairey, Garson, Leduc (Verdun), Lusby, Mitchell (London), Montgomery, Murphy (Westmorland), Mrs. Shipley, and Messrs. Thatcher, Thomas, Valois and Winch be members of the joint committee on the part of this house; that the quorum of the said committee be 9 members thereof; and that standing order 67 of the House of Commons be suspended in relation thereto;

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting and to report from time to time;

That the minutes of the proceedings and the evidence of the special committees appointed at the last two sessions to inquire into and report upon the foregoing questions, together with all papers and records laid before them, be referred to the said committee;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament and that standing order 66 of the House of Commons be suspended in relation thereto;

That the committee have power to engage the services of counsel;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Drew: Is there going to be any statement in connection with this motion?

Hon. W. E. Harris (Minister of Finance): There is no statement to make except that this is a continuation of the committee work that has been going on, as I recall it, for the last three years. I understand that the nature of the problem was fairly clearly defined in the latter days of the last session, and that it was the unanimous opinion at that time of the committee and I think of the house that the committee should be reconstituted at this session.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, we concur in the purpose of the motion and welcome the intention to set up this committee. My only reason for asking if there was a statement was that I wanted to be sure if there was one that it was made before I made the brief remarks I wish to make.

I do not intend to make any comments about the subject matter of this motion. I say that for this reason. I would not wish it to be thought that we are not greatly interested in every one of the subjects covered by the terms of the motion. We believe, however, that this committee has an extremely important task in dealing with these important subjects, and we do not intend to anticipate the deliberations of that committee by making any comments with regard to the various subjects mentioned.

I have in mind particularly the subject of capital punishment, which has naturally engaged the attention of hon. members here in recent months, as it has that of all Canadians. I thought it appropriate that I should say at this time I would hope that this matter, under no circumstances, would become the subject of partisan dispute. I cannot imagine that a problem that is related to society as a whole and of such an important nature would be dealt with on that basis. I feel sure that it will not be.

I express the hope that when the time comes to deal with whatever recommendations are made with regard to all these matters affecting all society, and as to which there are deep personal feelings that have nothing to do with politics, there shall be a free vote. I may say at this time that so far as the party I have the honour to lead is concerned, there will be a free vote. I feel that it would be useful if that were the understood position throughout the whole house. However, that is for others to say. I am speaking on behalf of the party to which I belong, and I say that our vote will be a free vote whenever it comes.

We look forward to the inquiry into these extremely important subjects, because it is

not only capital punishment but also corporal punishment and lotteries, which will engage the attention of this committee. We shall await with interest the result of their deliberations.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I just wish to say a brief word in regard to the setting up of this committee. The committee which has been doing such excellent work during the past two sessions should be congratulated on the wide range of knowledge they have obtained from a large field of experts. The calling of those experts has resulted in some very interesting evidence which I believe should be studied not only by all members of this parliament but by the people of Canada as a whole. I believe any person in Canada—at least the vast majority of us—would gain a great deal by reading the evidence of this committee and learning something about modern trends and about the history of capital punishment within our own country.

Among the names of those called before the committee is that of Mr. J. V. Fornataro, director of corrections. I refer also to the evidence given by Professor C. W. Topping, who is professor of sociology at United College, Winnipeg, Manitoba. We find the name of such a man as Mr. J. Alex. Edmison, Q.C., assistant to the principal, Queen's University, and who is director of American Prison Association and also a member of the special committee of the Department of Justice to study remission and parole; Mr. Virgil W. Peterson, operator of the Chicago science commission. The Canadian Association of Chiefs of Police gave evidence. This association in their brief, I note, state they could almost agree with Professor Sellin that there is a trend away from capital punishment these days and that it will disappear in all countries of western culture in the near future.

The general consensus of opinion, I would say, expressed by these experts supported the idea that capital punishment should be done away with. People interested would be surprised to learn that capital punishment has not served as a deterrent to the committing of murder. In the evidence given by Mr. Fornataro he stated emphatically that he was against capital punishment, and that sufficiently significant changes had occurred in today's understanding of behaviour since the original framing of the Criminal Code in Canada which would lead us to the conclusion that the very purpose of our system of justice should be redefined. It is a study of great interest, a matter of public concern across Canada. He states this—

Mrs. Shipley: Mr. Speaker, I rise on a point of order. I expect that I am out of order, but I may say that the hon. member was not a member of this committee last year whereas many of us were. I do not think it would be quite the right thing for the members of the committee to discuss the evidence until such time as we bring in our report. I wondered if it would help if I just mentioned that matter. Positive opinions are being expressed here. If I do not happen to agree with them, as a member of the committee, I do not want them to stand unchallenged until such time as the report comes in. I wondered whether, if I could say that, the hon. member would reconsider the discussion.

Mr. Castleden: I am pleased to have those remarks from the hon. member for Timiskaming. It is because I was not a member of that committee last year, and because I am looking forward to being a member of that committee this year—I have already been named on it—that I was referring to some of the material which I found in reading the evidence which was presented.

If the hon. member had been in the chamber when I began my remarks she would have heard me state that the committee was to be commended for the great work it has done. It was my opinion, on reading the evidence, that the majority of those giving evidence, from their knowledge and scientific study of the matter, were generally opposed to capital punishment. It was not my intention to influence anybody in that regard. I was merely making the suggestion that every member of this house should read that evidence and should make himself as familiar as possible with the information that has been given to us. I think it is most valuable.

I merely made that suggestion to the house. After all, we cannot ignore the verdict of history which rapidly leads us to the conclusion that crime has seemed to flourish most widely in times and in places where the punishment was most rigorous. If you look at the evidence heard during the past two years, I think by and large you will find that it will support that contention.

As an example, it might be of interest to the members of this house to know that just a little over 100 years ago history records the fact that a lad by the name of Nicholas White, a boy of 9 years of age, was sentenced to death at Old Bailey in England for stealing two pennyworth of paint. It would indicate that we have come a long way. It would also indicate that we should continue our study and make it a matter of law in this country that in the punishment of crime we see that we are doing the thing which we expect punishment to do.

I was surprised to learn that the evidence against hanging was that it did not deter. I think one of the strongest arguments that were used against capital punishment—this is how I feel myself, and I approach this with an open mind—is that there has been evidence that people have been hanged, and then some years afterwards it was discovered that they were innocent. As someone has said, hanging is so permanent. To whom can one appeal for justice when such a thing occurs, and when the state has carried out the punishment for a crime which he did not commit?

Speaking of the kind of evidence that might be given and the effort that might be made under such circumstances, Professor Topping said this. He was indicating his belief that capital punishment was discriminatory. He said:

> When a man is battling for his life he will exert his full force and he will draw upon all his resources and the resources of his friends. Specifically this means that he will employ the best counsel possible, even at a fee of $20,000, and that he will rally what friends he has to his assistance. This counsel and these friends will use their best skill to avoid so severe a penalty as death. Legal knowledge, psychology, and experience will be drawn upon. Since the evidence is likely to be circumstantial and based on the principles of logic, conviction is difficult. Murder is a low-visibility crime with few eye witnesses who can be called in to testify at the trial. With powerful friends and resources the struggle will be a long one; no quarter will be asked or given. And there may be delays until the furore has died down; and appeals.

Mr. Speaker: May I interrupt the hon. member? I do so because I fear that the pattern he is establishing in making his speech may be one that will be followed by other members in the course of this debate. It seems to me that the house is not called upon to decide now whether capital punishment should exist, but we are deciding whether we want to have a committee to inquire into it.

THE ROYAL ASSENT

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

> Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

> An act respecting the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board.

The Royal Assent

> An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

CRIMINAL LAW

JOINT COMMITTEE—APPOINTMENT OF MEMBERS TO ACT ON BEHALF OF COMMONS

The house resumed consideration of the motion of Mr. Garson:

> That a joint committee of both houses of parliament be appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent;
>
> That Miss Bennett, Messrs. Boisvert, Brown (Essex West), Brown (Brantford), Cameron (High Park), Castleden, Fairey, Garson, Leduc (Verdun), Lusby, Mitchell (London), Montgomery, Murphy (Westmorland), Mrs. Shipley, and Messrs. Thatcher, Thomas, Valois and Winch be members of the joint committee on the part of this house; that the quorum of the said committee be 9 members thereof; and that Standing Order 67 of the House of Commons be suspended in relation thereto;
>
> That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting and to report from time to time;
>
> That the minutes of the proceedings and the evidence of the special committees appointed at the last two sessions to inquire into and report upon the foregoing questions, together with all papers and records laid before them, be referred to the said committee;
>
> That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament and that Standing Order 66 of the House of Commons be suspended in relation thereto;
>
> That the committee have power to engage the services of counsel;
>
> And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Harris: Mr. Speaker, I wonder if the house would find it possible to permit the hon. member for Yorkton (Mr. Castleden) to conclude his remarks—I understand they are almost finished—and the hon. member for Wetaskiwin (Mr. Thomas) to associate his party with this motion, and then it would carry.

Mr. Speaker: Is there unanimous consent to that effect?

Some hon. Members: Agreed.

Mr. Speaker: When I interrupted the hon. member for Yorkton (Mr. Castleden) I was merely asking for his co-operation. I fully realize that the merits of the question to be inquired into are usually debated whenever a committee is proposed. It has been the practice to do that and I do not want to

curtail the hon. member in that respect, but it seems that this time the matter which is referred to the committee for inquiry is one that does not lend itself to the type of debate which was conducted, for instance, when we wanted to institute a committee to go into research. If we were to have a debate as to whether we were for or against corporal punishment I think we would be getting away from the motion that is before the house. I simply ask the hon. member for his co-operation.

Mr. Castleden: Thank you very much, Mr. Speaker. I had nearly completed my remarks, and was suggesting that the material and evidence placed before the committee has been adopted by the house and will be available to hon. members to read.

After the sentence of death has been imposed by the courts in this country an individual has one further recourse. The matter of commutation to life imprisonment is the prerogative of the cabinet of this government. I should like to recommend that until such time as the recommendations of this committee have been brought down, until such time as this house has dealt with those amendments to the Criminal Code which it may wish to make, it would be an excellent thing for the cabinet to refuse to permit any further death penalties to be carried out, until such time as the house has acted on the recommendations of this committee.

I am looking forward to sitting on this committee. I have read the evidence the committee has heard, and I trust we can bring forth recommendations which will be in line with Canada's position as one of the leading nations in relation to capital and corporal punishment and penology generally.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I simply want to say that I am extremely thankful that last year the committee was not forced to bring down its decisions and recommendations, and that it is being reconvened this year for this purpose. I was not a member of the committee during the first session, and I found it practically impossible to reach any decision during the sittings of last session. I was therefore extremely pleased to have had the opportunity during the recess of going over the evidence of the last two sessions. I have never served on a committee where there was so much conflicting evidence, all of which was very well presented. In every case the witnesses were extremely helpful, sincere and co-operative, and gave themselves to the most thorough questioning.

I should like to offer a word of congratulation to the Minister of Justice and the officials of his department, because I found them, as I am sure all members of the committee did, extremely co-operative throughout. Without exception they went out of their way to be of as much assistance as possible. At the same time I should like to say one word concerning how well the joint chairmen of the committee carried out their duties. They did an extremely good job. I hope the committee will be able to come to a good, honest decision on these extremely important matters.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall begin with the resolution with respect to the industrial development bank, then take second reading of the Small Loans Act and then second reading of the Canadian Farm Loans Act. If time remains at our disposal I shall inform the house what will be taken next. I am inclined to think it will be the resolution with respect to the trans-Canada highway, but I am not certain at the moment.

It being ten minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

POST OFFICE CONTRACTS, DOLBEAU AND LA MALBAIE, QUE.

Question No. 173—**Mr. Dufresne:**

1. Who was awarded the contracts for the post offices at Dolbeau and at La Malbaie, Quebec, and at what price?
2. Who was awarded the contract for iron and steel, and at what price?
3. Who submitted the lowest tender for iron and steel, and what was the amount of this tender?

Answer by: **Mr. Winters:**

Federal building at Dolbeau:

1. Louis Dallaire, Normandin, P.Q., at $289,900.

2. (a) Iron and steel is part of the general contract. The contractor listed the following subcontractors on his tender form: Structural steel, Eastern Canada Steel and Iron Works Ltd.; steel joists, Dominion Structural Steel Limited; reinforcing steel, Pierre Warren.

(b) Information not available.

3. Information not available.

Federal building at La Malbaie:

1, 2 and 3. A contract has not yet been awarded.

PREMIUM IRON ORES—PURCHASE OF STOCK

Question No. 189—**Mr. Knowles:**

1. Has the Department of National Revenue any information concerning any transaction involving the sale to Premium Iron Ores of shares of stock in Steep Rock Iron Mines Limited?
2. If so, will this transaction be studied by the Department of National Revenue?
3. Has the department any information as to the position of the United States internal revenue department concerning this transaction? If so, what are the details of such information?

Answer by: **Mr. McCann:**

The secrecy provisions of section 133 of the Income Tax Act operate to preclude the taxation division from furnishing any information in answer to this question.

GEORGE E. ALLEN—PURCHASE OF STOCK

Question No. 190—**Mr. Knowles:**

1. Has the Department of National Revenue any information concerning any transaction involving the sale to one George E. Allen of shares of stock in Steep Rock Iron Mines Limited? If so, what are the details of such transaction?
2. Will this transaction be studied by the Department of National Revenue?
3. Has the department any information as to the position of the United States internal revenue department concerning this transaction? If so, what are the details of such information?

Answer by: **Mr. McCann:**

The secrecy provisions of section 133 of the Income Tax Act operate to preclude the taxation division from furnishing any information in answer to this question.

POST OFFICE BUILDING, ROTHESAY, N.B.

Question No. 204—**Mr. Brooks:**

1. What was the total cost for the site and construction of the public building (post office) at Rothesay, New Brunswick?
2. Were tenders called for the purchase of a site?
3. If so, what tenders were received and what was the price paid?

Answer by: **Mr. Winters:**

1. Cost of site, $6,000; cost of construction of building, $26,479.72.
2. No—property acquired by expropriation.
3. Answered by No. 2.

PUBLIC BUILDING, NANAIMO, B.C.

Question No. 206—**Mr. Hamilton (Notre Dame de Grace):**

1. On what date did the contractor for the public building in Nanaimo, British Columbia, inform the architect concerned that, in his opinion, the building was completed?
2. Did the architect, in his subsequent inspection, locate any deficiencies and so inform the contractor?
3. If so, what were these deficiencies?
4. Have these deficiencies now been corrected to the satisfaction of the architect concerned?

Answer by: **Mr. Winters:**

1. On January 25, 1956, the contractor informed the district architect that the building was ready for inspection.
2. Yes.
3. Miscellaneous minor deficiencies; black topping of loading area not completed; sidewalk to be completed by city of Nanaimo.
4. Yes, except that weather conditions will not permit completion of the paving until spring.

WHARF, LEPREAU, NEW BRUNSWICK

Question No. 209—**Mr. Brooks:**

1. Are steps being taken by the federal government to build a wharf at Lepreau, New Brunswick?
2. If so, is a survey being made and when will tenders be called for construction?

Answer by: **Mr. Winters:**

1. No.
2. A survey is being made to determine the possibility and estimated cost of developing harbour facilities in the Lepreau area.

MEAT EXPORTS

Question No. 229—**Mr. Pommer:**

1. What number of cattle and how much beef was exported from Canada in 1955?
2. To what countries, and how much to each country?

Questions

3. How much pork and pork products were exported from Canada in 1955?

4. To what countries, and how much to each country?

Answer by: **Mr. Howe (Port Arthur):**

1 and 2. Canadian exports of cattle and beef, and the countries to which they were exported, were as follows:—

(a) Cattle (statistical items 2010, 2035, 2040, 2045, 2050, 2055):

Calendar year 1955 Country	Exports of Canadian produce No.	Exports of foreign produce No.
Union of South Africa	3	—
Bermuda	5	—
Barbados	1	—
Leeward and Windward Is.	2	—
New Zealand	5	—
Argentina	12	—
Brazil	5	—
Colombia	592	—
Cuba	41	—
Dominican Republic	33	—
Ecuador	58	—
El Salvador	1	—
St. Pierre and Miquelon	1,594	—
Italy	6	—
Japan	11	—
Mexico	466	—
Peru	593	—
Spain	19	—
Alaska	23	—
Puerto Rico	306	—
Uruguay	7	—
Venezuela	430	—
United States	63,400	76
Total	67,613	76

(b) Beef (statistical items 2605 and 2640):

Calendar year 1955 Country	Exports of Canadian produce Cwt.	Exports of foreign produce Cwt.
Bermuda	1,612	—
British Guiana	564	—
British Honduras	166	—
Barbados	1,576	—
Jamaica	108	—
Trinidad and Tobago	6,183	—
Bahamas	1,441	—
Leeward and Windward Is.	141	—
Dominican Republic	8	—
St. Pierre and Miquelon	1,729	—
Haiti	36	—
Japan	228	—
Surinam	36	—
Netherlands Antilles	1,352	—
Israel	90	—
Switzerland	448	—
Alaska	5,113	—
Hawaii	245	—
Puerto Rico	6	—
Venezuela	245	—
Taiwan	3	—
United States	76,851	2,678
Total	98,181	2,678

3 and 4. Canadian exports of pork and products, and the countries to which they were exported, were as follows:—

Calendar year 1955 Country	Exports of Canadian produce Cwt.	Exports of foreign produce Cwt.
United Kingdom	145	—
Bermuda	2,356	—
British Guiana	7,852	—
British Honduras	1,459	—
Barbados	38,953	—
Jamaica	12,219	—
Trinidad and Tobago	21,537	—
Bahamas	1,495	—
Leeward and Windward Is.	4,587	—
Afghanistan	20	—
Colombia	15	—
El Salvador	92	—
St. Pierre and Miquelon	924	—
Guatemala	63	—
Haiti	43	—
Japan	558	—
Surinam	48	—
Netherlands Antilles	955	—
Norway	194	—
Panama	190	—
Peru	2	—
Alaska	3,301	—
Hawaii	2,602	—
Venezuela	2,381	—
Taiwan	1	—
United States	630,754	—
Total	732,746	—

UNEMPLOYMENT INSURANCE OFFICE, MONCTON, N.B.

Question No. 232—**Mr. Van Horne:**

1. How many cases, of all kinds, regarding applications for unemployment insurance were referred to the Moncton regional office by the Campbellton and Edmundston offices, since September 1, 1955, to date?

2. How many cases so referred were not settled within two weeks?

3. How many additional employees, part time and full time, were hired by the Moncton regional unemployment insurance office, since September 1, 1955, to date?

Answer by: **Mr. Gregg:**

1. The number of claims referred to the regional office at Moncton in the period, September 1, 1955 to February 29, 1956 by the Campbellton and Edmundston offices was 3,654 and 3,452 respectively.

2. Information not available.

3. No additional regular employees were hired for the Moncton regional office in the period, September 1, 1955 to February 29, 1956. A total of 69 casual employees (full-time employees paid on an hourly basis) were hired during the period and the number on strength at February 29, 1956 was 57.

HOUSE OF COMMONS

Thursday, March 8, 1956

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Charles Cannon (Iles-de-la-Madeleine) presented the first report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS—FIRST, SECOND AND THIRD REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. W. J. Henderson (Kingston) presented the first, second and third reports of the standing committee on miscellaneous private bills, and moved that the first report be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS

MIDDLE EAST—REQUESTED REIMPOSITION OF PROHIBITION ON ARMS SHIPMENTS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, when speaking yesterday in connection with the remainder of the uncompleted order for Harvard training aircraft which had been approved last July I said that consideration was being given to whether there should be any interference by the government with the completion of this order and that a statement would be given to the house when a decision had been reached. I wish to inform the house that we have come to the conclusion that under circumstances as they exist the government would not be justified in interfering with the completion of this order.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in reference to what the Prime Minister has just said, will the Prime Minister not give consideration to the possibility that, at a time when the situation is so tense and the question of shipment to that troubled area could conceivably be interpreted in a different way than would ordinarily be the case, reconsideration might be given to shipment of aircraft to Egypt at this time, which definitely could be of use in the event of any disturbance arising there?

Mr. St. Laurent (Quebec East): We have given consideration to all those factors and we have come to the conclusion that under the circumstances the government would not be justified in interfering with the shipment which was cleared through customs on February 20.

Mr. Alistair Stewart (Winnipeg North): May I ask a supplementary question? Is the Prime Minister aware at all of the situation that prevails in the Middle East?

Mr. St. Laurent (Quebec East): I think I am, Mr. Speaker.

Mr. J. G. Diefenbaker (Prince Albert): May I ask a supplementary question of the Prime Minister? In view of the announced decision, what is the attitude of the government going to be with respect to the request of Israel? Does it intend to endeavour to equalize the supply of arms or does it intend to intensify the situation in so far as the Arab nations are concerned in relation to Israel?

Mr. St. Laurent (Quebec East): Consideration will be given to all applications as they come forward.

Mr. G. R. Pearkes (Esquimalt-Saanich): Might I address a supplementary question to the Prime Minister? Is there any change in the situation regarding the export of the 25-pounder ammunition to Israel?

Mr. St. Laurent (Quebec East): No, Mr. Speaker. No decision has yet been made in that regard.

[Later:]

Mr. Drew: May I direct a supplementary question to the Prime Minister? Can he explain to the house why, in view of the circumstances which have arisen in the past few days, more favourable treatment in regard to the shipment of military equipment should be extended to Egypt than to Israel?

Mr. St. Laurent (Quebec East): There is no outstanding permit for the shipment of equipment to Israel. There was a permit which was in force for the shipment of the balance of this order of Harvard trainers and we felt there would be no justification for the government to interfere with the shipment of what was included in that permit.

Mr. Drew: Is it not correct that a permit was issued in connection with the shipment of 25-pounder shells to Israel?

Mr. St. Laurent (Quebec East): There had been no completion of that proposed transaction. The 25-pounder shells were to come from government supplies, and when the matter came before treasury board, as it had to do before it could be completed, the situation was such, because of the activities at that time of the security council, that it was felt that the treasury board minute authorizing the sale should not be passed. Since that time I have made a commitment to the house that there would be no further permits issued until there seemed to be some easing in the international situation.

Mr. Fleming: Would the Prime Minister give the date of the decision not to approve the issue of the permit by treasury board?

Mr. St. Laurent (Quebec East): I have not that date in mind, but I could secure it for the hon. member.

Mr. Diefenbaker: Would the Prime Minister say that the decision that was made to allow these Harvard trainers to go forward into this very incendiary region was based on the fact that the government did not want to interfere with contractual relations?

Mr. St. Laurent (Quebec East): No, it was not that the government did not want to interfere with contractual relations but the government had committed itself to a permit for the export of these Harvard trainers, which we did not feel were military equipment at all, and that being the case we came to the conclusion that we could find no justification for cancelling the permit at this time.

Mr. Pearkes: May I ask one further question? Are these Harvards addressed to the Egyptian air force?

Mr. St. Laurent (Quebec East): In giving an answer to that, I shall have to rely on what I have read in the newspapers. This was a transaction between a commercial corporation and its purchaser. The permit was for the export of these Harvard trainers to the Egyptian air force. I would assume that they would be addressed to the Egyptian air force, but I have not seen the crates. I saw the report in the newspapers that that was the manner in which they were labelled on the crates that contained the dismounted parts.

Mr. Pearkes: But the permit was to the Egyptian air force; is that correct?

[Mr. St. Laurent (Quebec East).]

Mr. St. Laurent (Quebec East): The permit was to the Canadian Car and Foundry, the suppliers of the equipment.

Mr. Pearkes: For permission to ship to the Egyptian air force? Did the Prime Minister say that a minute ago?

Mr. St. Laurent (Quebec East): Well, that is my impression. I do not have it in my memory. I do not visualize the terms of the permit; I have seen them; that is my impression.

Mr. Macdonnell: May I ask the Prime Minister whether it is correct to infer that the decision of the government was made on the basis of some undertaking given to a Canadian citizen some time ago, rather than on the tense state of international affairs at the present time?

Mr. St. Laurent (Quebec East): Well, Mr. Speaker, I think the hon. gentleman will have to draw his own conclusions. Here there have been a large number of commercial transactions between Canadian firms and foreign importers. There was a permit for those Harvard trainers issued last July, and they were made ready for shipment. The government came to the conclusion that it would not be justified at this time in interfering with the completion of the shipment of that order which had been approved last July; this further shipment being something which, according to my information, was cleared through customs for export on February 20.

Mr. Drew: I have a supplementary question. Does the Prime Minister suggest that a shipment of serviceable planes to the Egyptian air force is outside of the scope of the policy of the government in regard to the shipment of military equipment to a very critical area?

Mr. St. Laurent (Quebec East): No, Mr. Speaker.

Mr. Diefenbaker: I should like to direct a question to the Secretary of State for External Affairs. He has not had an opportunity yet to explain anything. Will he tell the house whether in his opinion at the present moment the situation in the Middle East—

Mr. Speaker: Order. I think this matter has been more than fully dealt with within the ambit of what we consider question time.

INQUIRY AS TO REQUEST FOR VISAS BY U.S.S.R. DELEGATION

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if he is in a

position to answer the question I asked yesterday regarding visas for a U.S.S.R. delegation.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, we are in touch with our embassy in Moscow to inquire whether visas have been requested on behalf of the Soviet citizens to whom my hon. friend referred yesterday but have received no reply as yet.

APPOINTMENT OF SPECIAL AMBASSADOR TO THE HOLY SEE

On the orders of the day:

Mr. R. H. Small (Danforth): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the announcement that Mr. Pierre Dupuy has been designated a special ambassador to the Holy See for certain ceremonies to be held this month, does that decision by the Prime Minister indicate that he has changed his opinion and view as indicated some time ago that anything which might create religious controversy and dissension or disturb the religious conscience of the people should be avoided?

Right Hon. L. S. St. Laurent (Prime Minister): No, and I would not imagine that the presence of someone from Canada to express congratulations to His Holiness on the occasion of his eightieth birthday would create any controversy in Canada.

Mr. Small: A supplementary question, as that is not the question I asked. I asked the Prime Minister whether he has changed his opinion previously indicated to the house.

Mr. St. Laurent (Quebec East): I think my answer implies that there has been no change in my opinion because I do not think that this is anything that comes within the purview of the reference the hon. gentleman has made.

UNEMPLOYMENT INSURANCE

EASTERN QUEBEC—ALLEGED DISQUALIFICATION OF WORKERS

On the orders of the day:

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I wish to direct a question to the Minister of Labour. Would the Minister of Labour make a statement to the house, following the representations made to him by a delegation of members of parliament from the province of Quebec on March 1 last, with respect to matters pertaining to the administration of the Unemployment Insurance Act and also, further, to a statement issued yesterday by Mr. Samuel Audette, director of the forestry service of the U.C.C. farmers' union, on the same subject?

Hon. Milton F. Gregg (Minister of Labour): The hon. member was kind enough to give me notice of the question. This question was also referred to by the hon. member for Three Rivers (Mr. Balcer) last Thursday. The hon. member for Bonaventure and a number of other members made representations to me on March 1 on this subject, which is again brought to light in the item referred to in the question as given this morning in the newspaper by Mr. Audette of the U.C.C. farmers' union. Perhaps I may be permitted to summarize that, because it clarifies the situation for all concerned.

Mr. Audette stated in this article that lumberjacks who turned down various job offers by the unemployment insurance commission had seen their payments of benefits discontinued. He also said that the jobs were turned down because the lumberjacks did not have the money to travel to localities where work was available or because the wages were below the average woodcutting pay. That is an outline of the general problem, and I can assure you that it is a problem.

When the delegation met me and the matter was brought to my attention, I asked the unemployment insurance commission to carry out an investigation to see whether any unwarranted interpretation was being made of the act against the workers, and that study and survey are being carried on.

I am assured by the commission that they hope to be able to give me a more complete statement on this very important matter which I may present to the house next week. In the meantime, all of the cases that are being complained about are being reviewed by the commission to make sure that the intention and the spirit of the Unemployment Insurance Act are being complied with.

[*Later:*]

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, has the Minister of Labour been informed that many workers other than lumberjacks in Quebec city have been disqualified for unemployment insurance for refusing work too far away from their own homes? If so, what will be done in this regard?

Mr. Gregg: Mr. Speaker, I think that question bears upon one aspect of the one that I answered in an interim fashion just a few moments ago.

INQUIRY AS TO PAYMENT OF RAIL FARE OF UNEMPLOYED

Mr. J. W. Murphy (Lambton West): May I direct a supplementary question to the Minister of Labour in view of the answer he gave a few minutes ago respecting the situation in some parts of Quebec? Has it

been the practice of the government to assume the payment of rail fare or part of the rail fare of those unemployed people who move to other parts of Canada where employment may be obtained?

Hon. Milton F. Gregg (Minister of Labour): No, it has not been the general practice. It has been the practice in former winters in areas that were, I will not use the word depressed but where industries were slack at that particular time, to see if the situation could be improved, in co-operation with the province concerned, by assisting workers to move from that area into an area where they could get jobs. This winter we have not had occasion so far to use that method.

Mr. Murphy (Lambton West): I wonder if the minister would clarify the one point I had in mind? He spoke of assistance and would that mean the payment of train fare or part of the train fare in co-operation with the provincial government to move these people?

Mr. Gregg: Yes.

TELEVISION

REFERENCE TO RESOLUTION PASSED BY LEGISLATURE OF MANITOBA

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Prime Minister and the Minister of National Revenue if they have received notice of a resolution passed by the legislature of Manitoba on March 6 urging competition in the television broadcasting field in the greater Winnipeg area and the establishment of television stations in other parts of the province of Manitoba? If so, what action is proposed to be taken on this resolution, which I am told was passed by a vote of 47 to 5, with only four C.C.F. and one communist member dissenting?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, this is the first information I have had with reference to the recommendation about which the hon. member has been speaking. In accordance with the government's policy, when the policy with reference to the establishment of stations where C.B.C. stations now exist is changed it will be announced. If it is any consolation to the hon. gentleman, I would say that there is not likely to be an announcement in that regard until we hear from the commission that is investigating matters with reference to the C.B.C.

[Mr. Murphy (Lambton West).]

HOUSING

INQUIRY AS TO REDEVELOPMENT IN MONTREAL

On the orders of the day:

Mr. Claude Richardson (St. Lawrence-St. George): I should like to direct a question to the Minister of Public Works. May I ask the minister, recalling his remarks of January 19, if the joint committee dealing with the so-called Dozois plan in Montreal for housing redevelopment has made a report. If the report has been made, has the minister received a copy and would he care to comment on it to the house?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I have received a copy of the report of the joint advisory committee composed of representatives of the Central Mortgage and Housing Corporation and the city of Montreal. The report is concerned with the clearing of a blighted residential area in Montreal and the construction of a low rental housing project.

The report contemplates federal financial assistance for the housing project under the terms of section 23 of the National Housing Act, which provides for grants to municipalities for the clearance of blighted areas, and section 36, which provides for joint federal-provincial financing of low rental projects.

We are giving this report very careful study just as I presume the government of Quebec and the city of Montreal will. If as a result of the report the municipality and the province now wish to proceed with a project, the federal government will be glad to give sympathetic consideration to their proposals.

GRAIN

WHEAT—INQUIRY AS TO DATE OF FINAL PAYMENT ON 1954-55 CROP

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. In view of his warmly extended invitation yesterday to ask a question as soon as the wheat bills had become law, is he now able to advise the house what is the position with respect to the final payment on the 1954-1955 wheat crop?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, now that the wheat board is in a position to know the extent of financial help that can be expected outside present sources of revenue, I will ask the board to consider the position with

respect to a final payment. My hon. friend will appreciate that the wheat board act requires that a recommendation be obtained from the wheat board before the government can give consideration to a payment. After the board has advised the government as to when the payment can be made I will be glad to advise the house.

I might point out that on the 29th of last month the board finished the payment of $22 million and a fraction by way of interim distribution on the same pool.

Mr. Diefenbaker: Could the minister give the anticipated date when this may be looked forward to?

Mr. Howe (Port Arthur): That is a matter for the board to recommend. We are not in a position to consider any date until we have a recommendation from the board.

WHEAT—REQUEST FOR GRADE ACCEPTANCE WHEN SHIPPED BY TRUCK

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Would the minister give consideration to a request by southeastern British Columbia wheat producers for an exception to the wheat board regulation which prevents them marketing their wheat on the Pacific coast when shipped by truck?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I do not know of any regulation of the wheat board which prevents the farmers of British Columbia marketing their wheat within British Columbia in any way they like. The problem is to give a grade certificate for wheat that is in a truck. The inspector can know what the grade is when it leaves the grading point but there is no way of being sure of what wheat is in a truck when it reaches its destination. Therefore the wheat board has decided that it cannot give a grade certificate for wheat in a truck.

FLOODS

HUMBER VALLEY—OVER-ALL PLAN OF FLOOD CONTROL AND CONSERVATION

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of Northern Affairs and National Resources. In view of the present serious threat of flood in the Humber valley, the area which suffered the worst damage and loss of life during "Hurricane Hazel" a year and a half ago, would the minister take the lead in approaching the provincial and metropolitan Toronto conservation authorities to try to speed up an over-all plan of flood control and conservation?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, last year the provincial government of Ontario had forwarded to me a request for assistance under the Canada Water Conservation Act. This request was withdrawn some weeks ago.

Mr. Hamilton (York West): I should like to ask a supplementary question. I wonder whether the minister would answer my request that he take the lead in approaching these authorities?

Mr. Lesage: If the hon. member would take a look at the act, he would know that the initiative must come from the province. The initiative was taken by the province last year but the request has been withdrawn. I believe that is all I can say.

TRADE

STEEL—REFERENCE TO PRESS REPORTS OF GREY MARKET

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Will the minister comment on, or have an investigation made into, the reports of a grey market in steel which appear in today's press?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I know there is a grey market in steel in the United States, and I know that market is being made use of by certain of our builders. However, I am quite sure that there is in Canada no grey market in steel which is dealing in steel manufactured in Canada.

INTERNATIONAL WHEAT AGREEMENT—EFFECT ON CANADA OF REPORTED MEMBERSHIP OF ARGENTINA

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In view of the announced intention of Argentina to join the international wheat agreement, with the consequent inevitable lowering of the Canadian quota under this agreement, will it have any effect on Canada's participation in the international wheat agreement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the question under discussion at Geneva is whether there will be a renewal of the present wheat

agreement. My hon. friend is aware that the United Kingdom is not a member of the present wheat agreement. Whether the agreement will be renewed or not is still a matter of discussion. My associate deputy minister, Mr. Sharp, left for Geneva this morning and will return, I hope, next week. By that time we should have a clear idea as to whether the agreement will or will not be renewed.

Mr. Trainor: Probably the minister misunderstood my question. I said: In the light of the announced intention of Argentina, not the United Kingdom, to join this agreement, with consequent lessening in Canada's quota under the agreement, would that have an effect on Canada's participation?

Mr. Howe (Port Arthur): Mr. Speaker, Argentina has never been a member of the international wheat agreement. There is some possibility that that country may wish to join the present agreement—at least I have a dispatch on my desk at the moment which indicates accordingly—but no conclusion can be reached as to the extension of the agreement until we have more information from Geneva.

As I told hon. members earlier, we intend to rely very largely on the advice from our farm advisers at Geneva, who are the heads of the principal farm organizations of the prairie provinces. We have not had that advice as yet and I am not in a position to say whether Canada will or will not be a member of a renewal of the agreement.

FISHERIES

BRITISH COLUMBIA—REFERENCE TO PROPOSED MORAN DAM ON FRASER RIVER

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of Fisheries a question in the light of statements made as reported in the press in Toronto yesterday by Dr. Warren of the University of British Columbia in connection with the possibility of the construction of the Moran dam on the Fraser river. In the light of this statement of the tremendous industrial development envisaged, may I ask the minister whether any further discussions are taking place between his department and representatives of the company with regard to research with a view to reconciling the interests of power and fisheries in that area?

Hon. James Sinclair (Minister of Fisheries): The engineers of this proposed dam—I refer to the Moran dam—met with the engineers of my department earlier this year. The engineers of my department pointed out the requirements which would have to be met by such a dam before any approval could be given. So far the engineers of the Moran proposal have not come back with any concrete suggestion as to how to move fish over a dam that high.

ST. LAWRENCE SEAWAY

PROTECTION OF CANADIAN PROPERTY AGAINST CHANGE IN WATER LEVELS

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, on February 28 the hon. member for Lambton West (Mr. Murphy) raised a question concerning the effect of the diversion of streams into lake Superior upon the high levels of the upper lakes and whether more water could be diverted through the Chicago drainage canal.

I am informed that the range of fluctuations in the monthly average levels of the great lakes from year to year is between 4 and 6 feet. Periods of extremely high and extremely low levels do occur but not at regular intervals. Both the normal fluctuations and the extreme fluctuations are a result of natural conditions, since engineers have calculated that diversions or man-made control works in the upper lakes influence these levels in the order of a few inches and require approximately ten years to produce their ultimate effect. Neither the water inflow at Ogoki nor any likely increased outflow at Chicago would, therefore, have any significant effect on the high levels themselves. In times of low levels, however, a matter of a few inches may be significant and, for this reason, an increase in the outflow at Chicago would reduce the general amount of water available in the lakes with results which might be prejudicial to Canadian and United States domestic and sanitary uses of water as well as to navigation interests and result in a not inconsiderable loss of electric power to both countries.

AIR TRANSPORT

TRANS-ATLANTIC SERVICE—REQUEST FOR SECOND CANADIAN LINE

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the report in the press this morning that a fourth European air line is about to apply to add Montreal as a port of call on its trans-Atlantic service, is the minister considering licensing a second Canadian air line for this service?

Hon. George C. Marler (Minister of Transport): I have not seen the report in this morning's paper and am not able to reply to the hon. gentleman's question.

NATURAL GAS

REFERENCE TO APPLICATION BY PANHANDLE COMPANY TO EXPORT TO CANADA

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Is the minister aware of the fact that the federal power commission examiner has rejected Panhandle's application for the export of United States gas to eastern Canada? Will this not make necessary a review of the government's natural gas policy?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not seen the reference. The application for the import of Panhandle gas into Windsor was for a small quantity and for a short period, and I do not think any opinion will be changed if that is the decision of the federal power commission.

RABIES

REPORTED OUTBREAK IN SOUTHERN ONTARIO

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I wonder if the Minister of Agriculture is prepared to answer the question I asked yesterday regarding the outbreak of rabies in Ontario?

Right Hon. J. G. Gardiner (Minister of Agriculture): I have not yet received an answer to the question.

INDUSTRIAL DEVELOPMENT BANK ACT

AMENDMENTS TO ENLARGE CLASSES OF LOANS, ETC.

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Industrial Development Bank Act to enlarge the classes of loans that may be made under the act; to raise the limit on the aggregate amount of loans exceeding two hundred thousand dollars from fifty million dollars to seventy-five million dollars; and to make certain changes in connection with the administration of the act.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

He said: Mr. Chairman, the industrial development bank has been most active on behalf of the government and the business community since its incorporation. I should like on this occasion to put on the record some figures involved in the business of the bank and explain the proposed amendment. As I have said already, it is our intention to refer this to the committee on banking and commerce and I do not propose to engage in a debate on second reading.

The industrial development bank was established under the authority of the Industrial Development Bank Act of 1944. The purpose was to supplement the operations of existing financial institutions in providing medium and longer term credits for eligible industries when financial assistance was not available elsewhere on reasonable terms and conditions provided that the investment in the industry by others was such as to afford reasonable protection.

It was generally acknowledged that businesses, whether they were large or small, provided that they were credit worthy, had been able to raise money from their chartered bank connections for their reasonable short term or working capital requirements, and that the larger and better known businesses had not too much difficulty in raising long term funds from investors in the security markets.

It was recognized, however, that there was a gap in the lending field in that it was often difficult and sometimes impossible for small or medium-sized businesses to obtain term loans to commence or to expand their operations. The loans required tended to be too long in term to make it appropriate for the chartered banks to provide them and too small in amount to make it feasible for the borrower to go to the market with a public security issue. The government's concern was to fill this gap for an important segment of the business community and to ensure that the growth of credit-worthy manufacturing firms and certain other specified types of enterprise of small and medium size would not be impeded by the lack of facilities for adequate financing.

Section 12 (2) of the Industrial Development Bank Act required the Bank of Canada to subscribe for the authorized capital of $25 millions, all of which has been paid up. In addition, industrial development bank was authorized to issue and sell debentures not exceeding three times the amount of its paid-up capital and the reserve fund. Under this latter provision the bank had outstanding on December 31, 1955, debentures totalling $10,200,000, all of which were sold to and are held by the Bank of Canada under the provisions of the act.

Industrial Development Bank Act

The bank was authorized to make or guarantee loans or enter into underwriting agreements to acquire securities of a corporation with a view to the re-sale thereof but only if the borrower was engaged or about to engage in an industrial enterprise. A limit of $15 million was imposed on the aggregate of the amounts of all commitments which individually exceeded $200,000. This limit has been twice changed and is now $50 million. An industrial enterprise was defined to mean:

> A business in which the manufacture, processing or refrigeration of goods, wares and merchandise, or the building, alteration or repair of ships or vessels, or the generating or distributing of electricity, is carried on.

Difficulties arose in many cases in the interpretation of what was and what was not an industrial enterprise, and to avoid the possibility that the bank and the board of directors might become responsible in respect of loans where the eligibility of the enterprise might be questioned and which only the courts could decide were intra vires or ultra vires, section 15(1) of the act was amended at the second session of parliament in 1949. The act now permits, and requires, the board to exercise an opinion as to the eligibility of a prospective borrower within the meaning of the definition.

From the commencement of business on November 1, 1944, to December 31, 1955, there have been 1,499 loans, investments and guarantees authorized, totalling $127,633,883, of which 254 authorizations were cancelled at the instance of the applicants before the amounts had been disbursed. These cancellations, together with reductions in the amounts of other credits before disbursements, totalled $21,011,768, leaving a net number of 1,245 authorizations totalling $106,622,115. Over the same period the disbursements in respect of loans and investments (not including guarantees where disbursements are not involved) have amounted to $99,120,538, and repayments received from borrowers have totalled $53,851,251. These repayments, with net write-offs amounting to $352,161 over the whole period, resulted in an outstanding amount of loans and investments of $44,917,126 on December 31 last. At the same date guarantees outstanding amounted to $184,237, and amounts involved in "Property Held for Sale" totalled $201,366.

Five hundred and forty-seven accounts totalling $39,901,580 have been repaid in full, and $14,722,319 has been received in partial repayment on loans which are current. These repayments, together with the write-offs for losses of $352,161, which I have mentioned, make up the aggregate of $54,976,060 by which the original authorizations have been reduced. The remaining net authorizations on December 31, 1955, numbered 698 and amounted to $51,646,055. The difference of $6,343,326 between these net authorizations and the aggregate of the balances outstanding on December 31—$45,302,729—is represented by the amounts of authorizations awaiting disbursement. Nearly 60 per cent of the number of loans made were for amounts not in excess of $50,000.

Up to the end of its last fiscal year on September 30, 1955, after writing off $355,101 in losses (of which some $3,000 has been recovered since September 30) and after providing a reserve for losses of $700,000, the bank had transferred $7,384,259 to reserve fund in accordance with the provisions of the act.

While I am sure that hon. members will agree that this is a commendable record, the resolution which is before you for consideration has as its objective what I consider should be non-controversial improvements which I am convinced will enable the bank to render assistance to a broader field.

Prominent in the changes we are proposing is a new definition of eligible borrowers. This is designed to cover a large number of operations which under the existing definition were borderline cases or clearly ineligible. No type of business which hitherto has been eligible is omitted from the new definition but, unfortunately, no definition we have been able to devise will eliminate borderline cases. The proposal will, however, considerably enlarge the field of eligible businesses. Some examples are that businesses which were not engaged in manufacturing or processing but which required buildings or investments in machinery or equipment for assembling, installing, overhauling, reconditioning, altering, repairing, cleaning (including seed cleaning), packaging, transporting or warehousing of goods, were not eligible borrowers but will be under the proposed definition. This is also true of the businesses of logging, operating a mine or quarry—but not prospecting, wildcatting, or developing—drilling, construction, engineering, technical surveys, or scientific research or the transportation of persons. On the premise that the bank should be able to finance the same fixed assets that it would be financing if they were directly owned by an industrial enterprise, it is proposed that those who supply such fixed assets to an industrial enterprise under a lease, contract or other arrangement, whereby title to the assets is retained by the supplier, should be entitled to apply for financial assistance in the same manner as an industrial enterprise.

Section 15 (1) of the present act requires that in every case the board must express an

opinion as to eligibility, the non-availability of credit from other sources, and the amount to be invested by others. One effect is that even for an application for a loan of a very small amount the officials of the bank must submit it to the board for authorization. A practical example is that a business in, say, Vancouver applying for a loan, even a very small loan, must await the result of the submission to and action by the board in Ottawa notwithstanding that in the judgment of the chief officer of the bank in Vancouver, who would have to recommend the loan in any event, the business is clearly eligible as a borrower and that because of his knowledge of the applicant and of the available security he considers the risk, if any, to be good. It is common practice in the chartered banks to give limited and defined authority to managers of their branches, and the change now proposed would enable the board to authorize the chief officers of the bank to express the opinion as to eligibility, the non-availability of credit from other sources and the amount to be invested by others and thus up to moderate amounts fixed by the board to make credit available without the prior approval of the board.

Another amendment would enable the bank to purchase or otherwise acquire, with a view to the re-sale thereof, stocks, bonds or debentures of a corporation from a shareholder of the corporation, in addition to the authority it now has to do so, directly from the corporation. This change, it is felt, may in some cases enable the bank to extend assistance which other available security would not justify.

We also propose to raise the limit on the aggregate amount of commitments exceeding $200,000 from $50 million to $75 million. The bank's commitments for loans of this size on December 31, 1955, amounted to $24,513,445 distributed amongst 47 accounts. It is not intended that there will be any change in the policy of the bank, which will continue to be to give particular consideration to the financing problems of small enterprises, but with changes which have taken place in the complexity and cost of modern machinery and buildings, it is felt that provision should be made to ensure that the bank would not be prevented from making its assistance available in desirable cases by reason of the present limit on such loans. With lending resources now approximately $130 millions and with commitments which do not exceed $200,000 totalling $27,132,610 on December 31 last, it will be seen that there will be ample room to provide for all of the smaller applications the bank is likely to receive.

The remaining amendments are of a minor character and for the most part deal with administrative matters.

Mr. Macdonnell: I have listened to the minister's statement with a great deal of interest —really more interest than I had expected— because the changes that are proposed seem to me more far-reaching than might be expected from the nature of the resolution.

The minister has recalled to our minds the circumstances of the origin of the bank. It was just at the end of the war, at a time when we were all concerned about the state of employment that was going to arise after the war.

As the minister has said, the bank was designed to meet situations which neither the chartered banks nor the bond issuing houses could easily meet. I think that his explanation there was clear. One comment that readily occurs to one is that at a time when the minister's instrument, the Bank of Canada, is cracking down on bank loans and following a pretty tough policy of restriction, if reports are correct, we have here a provision whereby a considerable amount of new money can be created by the action of the Bank of Canada; in other words, fresh money, inflationary money unless the inflationary effect is counteracted by other policies of the bank.

When extensions were made before, for instance, in 1952 when the $25 million figure was raised to $50 million, the minister then gave us a very clear and explicit reason for the change which was being made. He referred to the fact that there was a special problem with the air transport companies and that the extra lending power was designed for that purpose. At that time I think that explanation was readily accepted. It was not a time such as we have now of tremendous activity elsewhere, not the extreme activity that we have now anyway, and that went through without question.

I am glad that the minister is proposing to refer the measure to the banking and commerce committee because it does seem to me that this great broadening of powers, which comes somewhat as a surprise, is something that we should scrutinize very carefully. We want to be sure that the government is not extending this beyond what is reasonable. In the 1952 extension the minister's predecessor carried our judgment, I think, because he referred to this special kind of enterprise which I believe carried certain definite hazards and which appealed, I think, to the common judgment of members of the house.

The explanation at this time which the minister has given sounds, superficially at

any rate, much more like a spreading out and a competing with the existing financial institutions to a degree which may raise questions. One thing surprises me. The minister has indicated the extent to which the lending power has been availed of up to now. He has referred to the balance sheet of the bank as at the end of 1955, and while I have not done the mental arithmetic to figure out how much lending power is still left in the bank I think it is very substantial indeed. We can get that later in the afternoon when we come to questions. It will be some tens of millions of dollars, in fact, several tens of millions of dollars. Therefore I am a little surprised that at this stage and with all that lending power still left the minister has felt it necessary to come to ask for this further power. It would suggest a very wide, perhaps even far-ranging, extension into business which might tempt one to question it. At any rate, we can ask about that later in the afternoon.

The progress of the bank to date has been substantial but not rapid. I was surprised that in the last year the bank's loans, if I remember right, have increased less than $2 million. That is a small amount. If we question the actual operation, the number of loans made, the staff of the bank, the expenses of doing business, I think we shall find that it is a pretty expensive operation. As I say, its progress has been slow, and I would think there is a very considerable onus on the minister when we come to questions to satisfy us that this is really necessary.

I am not overlooking what I believe to be the fact, that before a loan may be made under the act—I should like the minister to listen to this—there has to be a statement by the borrower that he has tried to get money elsewhere and could not. I realize there is a certain protection there, but I do feel that we should watch carefully. We will be interested to see the details of the extensions proposed. The minister has referred to some very important lines of business, logging and so on, and when we get the bill we will have the whole situation before us.

These are the general considerations that arise in my mind. I will have questions to ask the minister, but having expressed my general thoughts I think I had better take my seat now, allow others to join in the discussion and await my time for asking questions later. I repeat that we have had this organization in operation for ten years. I think it was established with virtual unanimity. When the extension was made four years ago I noticed that there was little, if any, criticism because at that time we felt the bank was undoubtedly filling a gap which otherwise might not have been filled. In our scrutiny of the bill I think we should be very careful to see that the broadening out, which may take it quite far afield, is really needed and that the government is not just taking one further step into private business which people like myself feel should be watched with the greatest jealousy.

Mr. Cameron (Nanaimo): Mr. Chairman, unlike the hon. member for Greenwood, I am not so much surprised that the powers in the resolution are larger than he anticipated as I am surprised that they are not a bit larger than they are and that the government has not decided to take advantage of the legislation to develop an institution which might do some of the things that have been proposed in the house this session and outside of it to meet some of the needs of our economy.

Since the session opened we have had in the house proposals for federal-provincial development of power, proposals for a national plan of conservation and development and proposals for decentralization and re-establishment of industry in other parts of the country. Just a week or two ago I came across a statement by the governor of the Bank of Canada which led me to believe that perhaps the Industrial Development Bank amendment we were going to have would be of a much more far-reaching nature than it actually is. The statement appeared in the Ottawa *Journal* of February 27 in a report of an address by Mr. J. E. Coyne, governor of the Bank of Canada. In addressing a joint meeting of the Canadian and Empire Clubs Mr. Coyne said that he meant that the savings held by life insurance companies, trust and loan companies, credit unions, pension funds and others should be channelled into a greater flow of such funds into common stocks and other forms of equity investment. He said that it would mean more Canadian savings invested in "growth" projects rather than in traditional fixed interest investments.

Mr. Coyne did not suggest any way in which this channelling could take place. As a desirable development in our economy he merely postulated that instead of such a very large proportion of Canadian savings going into careful, safe, fixed interest investments more of them should be channelled into the type of projects in which foreign investors have been engaging in Canada of late.

In the report the other day of a speech made by an eminent Canadian statesman I noticed that he took a rather dubious view of the rise of United States investment in our growth or developmental enterprise. I have here a statement of the United States direct investment in Canada from the years 1946 to 1954. It indicates that we are experiencing

in Canada a serious development in which control of our most profitable enterprises, the enterprises that are most important in our national development, are coming into the hands of those who are not citizens of this country. I think we can view that situation with some alarm without being accused of being chauvinistic in any way or anti-American. I think it is an extremely serious situation when those who are not citizens of the country manage to gain control of such a large part of our economy.

I note here that the rate of inflow of United States capital in Canada has been rising extremely rapidly in the last five years. In 1950 it was $243 million; in 1951, it was $309 million; in 1952, $363 million; in 1953, $372 million. Then in 1954, when we had what I see is now admitted to have been a recession, United States investment dropped to $346 million. That was the gross inflow of capital. The net inflow of capital, however, has been ranging in the neighbourhood of $350 million for the last several years.

We are sometimes told—indeed we were told it in this house not long ago—that we have to welcome this United States investment in our Canadian development because the Canadian economy is not capable of supplying the necessary capital. Many persons accept that statement at its face value and say, "Oh yes; Canada is a poor, poor country. We ain't got no money". But when we look into the figures of Canadian assets, we realize that an entirely different picture is the true one. Mr. Coyne states that a certain amount of the pool of capital in the control of life insurance companies should be directed to equity investments in the development of Canadian resources. When we see the figures for 1953—which are the last complete figures I have been able to get—and when we note that the total assets of insurance companies were $5,568 million, we realize that there are vast sums of capital in Canada.

It is interesting to see how those sums of capital are invested by those who have the responsibility for their investment, namely the life insurance companies. In many instances, of course, they are constrained by legal restraints as to the fields of investment they may go into. The life insurance funds are invested to the extent of over 60 per cent in bonds and debentures, and 23 per cent in mortgage loans. Only a small percentage—about 10 per cent of their total assets—is invested in either preferred stock or common stock or equity investments. The assets of the life insurance companies have been increasing at an enormous rate in recent years. In 1951 they amounted to $4,880 million. In 1952 this amount increased by almost $400 million to $5,207 million. From reports that I have seen—they are not official reports but they are reports that I have seen in the financial press—I believe the assets of the life insurance companies today total well over $6 billion. Presumably the investments are carried on in much the same proportions as those I have read out.

With regard to the other institutions in which Canadian capital accumulates, we have the loan companies. The loan companies have total assets—and this is again as of 1954—of $253 million. Again we find that the large proportion of it is devoted to investment in bonds, debentures or in real estate mortgages and agreements of sale, and largely in agreements of sale. The percentages are: Mortgages, 70 per cent; bonds and debentures, some 20 per cent. Again only a small proportion—4·79 per cent—is invested in stocks or in equity holdings in development enterprises.

Trust companies are in much the same position, having available funds, as of 1954, of $139 million. Again nearly 50 per cent of this amount is invested in bonds and debentures of the Canadian government, provincial governments and municipal governments. Only 1·3 per cent is invested in stocks or equity holdings.

If we in Canada are going to combat this tendency or trend—which in my opinion is a rather dangerous one—in our economy of the valuable, profitable and economically important investments in resources development falling into the hands of people who are not citizens of the country, then we must take some decisive steps to channel those investments into other fields. That is my reason for being surprised that the government has not taken advantage of this legislation or of this amendment to set up the industrial development bank in that role. It is all very well for us to speak in general terms and say that our Canadian capital should be invested in this field or in that field, that it should be channelled here or there. But unless we set up some instrument for accomplishing that objective, we are of course merely talking to the wind. One can rest assured that those who are in control of these pools of capital know very well what are the best and safest investments for the funds that are entrusted to them and that they are not going to change their fields of investment merely as a result of exhortation. Hence I suggest, Mr. Chairman, that had the government seen fit to expand the powers of the industrial development bank, particularly in the field of the issuance of debentures, to a much larger extent than they are at present permitted, much of these funds might have been channelled into the industrial development bank

and have been made available for loans to those who are engaged in the development of our resources.

The debentures and bonds of the industrial development bank should be as attractive fixed-interest investments as any others, and might very well attract a sufficient volume of funds at the disposal of life insurance companies, trust companies and loan companies to offset the present $350 million to $400 million annual investment of United States funds in the development of Canadian resources. Sometimes I think we forget the process by which these United States investments are made. We perhaps forget that there have been Canadian citizens who have made certain discoveries and have required financing for their development. From these tables that I have been reading, it is perfectly obvious that the ordinary sources of funds for such development are not readily available in Canada from the traditional lending institutions. We have heard a great deal about risk capital, but apparently Canadian capital has an extremely strong aversion to taking any risks. The first thing we know is that a United States Company has decided to undertake this very development that has first been mooted by a Canadian. In reading over the reports in *Hansard* of 1944 when this bill was first introduced into the house I noted that there were members of parliament at that time who considered this step to be extremely dangerous, indeed to be a socialistic innovation. I refer to the setting up of the industrial development bank. It was apparently going to lead us down the path to complete socialism. I would suggest that it has signally failed to do that, and that it has not even functioned to the extent it was expected to function.

Never at any time has the industrial development bank been operating at the capacity of the existing legislation. At the moment it is operating at about half capacity. It has a lending capacity of approximately $100 million but has less than $50 million out now. This is, of course, partly because of the restricted fields of investment to which it was confined but it was also because for a number of years since 1944 the development of Canada was subordinated to some extent to the provision of arms for the Korean war and the provision of defence installations for the cold war. But since 1950 the tempo of development in Canada has increased enormously. I suggest, Mr. Chairman, that if we wish to preserve the Canadian economy primarily as a field for Canadian investment and Canadian opportunity, then the government must take some steps to see that we proceed in that direction.

[Mr. Cameron (Nanaimo).]

I would urge the Minister of Finance to seriously consider adding to his amendment an amendment which would increase the powers of the industrial development bank to issue debentures and to increase their capital stock to permit that, so that they would have on hand funds for development investment to equal or at least approximate the funds which are now brought in from across the line. Only in that way are we going to cope with the problem that more and more Canadians are viewing with increasing alarm.

Mr. Blackmore: It will be my privilege, Mr. Chairman, to again disagree with the hon. member for Greenwood, as I have done so often, and approve of the minister's move to expand the activities of this bank. I see no reason, Mr. Chairman, why we should not develop this bank into something corresponding to the Reconstruction Finance Corporation of the United States. It seems to me that Canada acts altogether too helplessly and baby-like for a nation of her economic strength and population. She does not seem to have enough courage to get up and do anything in a financial way to help herself. This institution could easily be developed into an institution through the use of which we should not sit around on a log and sigh because United States capital does not come in fast enough to develop our oil resources, our gas resources or build our pipe lines or do any of the many things that need to be done in Canada. We shall manage to do these things for ourselves, just as we undoubtedly have the capacity to do. I, therefore, heartily approve of the minister's move in expanding this act. My only disappointment is that he has not expanded it nearly far enough. I think if he had doubled the activities, capacities and powers of the bank this year, he would not have gone recklessly forward in his efforts.

Now, that is the first comment which Social Crediters would make, and I believe all fact-facing people would take that attitude. We come now to this matter of inflation once more. We find the hon. member for Greenwood contributing to the delinquency of Canadian public opinion by trying to convey the absolute falsehood that what we are in at the moment is an inflationary period. He knows, and he has heard time and time again, that the increase in prices from which we now suffer were the direct result of the increase of $5 a ton in the price of steel in April, 1946. Will the hon. member rise and say he does not know that? If he does not know it, will he write it down somewhere in his notebook so he cannot forget it. He knows certainly that in 1946 the steel workers struck for their share of the $5 increase,

thereby increasing the wage rates all across Canada. Certainly he has enough intelligence to know that such a performance in our Canadian economy would result in an increase in price all across the board! Why in the name of common sense does the member get up here and time and again try to delude the Canadian people into thinking that this manipulated rise in prices from which we are suffering is inflation? I just cannot understand the mentality of the hon. member for Greenwood and so many of the people who are in behind him.

Mr. Fraser (Peterborough): Like yourself.

Mr. Blackmore: I am ready to take on any member of the Conservative party any time he likes.

The Chairman: Order. I wonder if the hon. member is making that assertion at the appropriate time? I listened carefully to the remarks of the hon. member for Greenwood and I found them to be on this resolution regarding the industrial development bank. I do not think in this resolution we are discussing inflation and I would ask the hon. member to confine his remarks to the resolution which is before us.

Mr. Blackmore: If Your Honour was listening to the hon. member, it certainly seems to me he would have heard the hon. member say that there was reason for anxiety about the expansion of the activities of this bank by reason of inflation. He said the money that would be coming out would be inflationary money. Surely the chairman remembers that. Then, if the hon. member for Greenwood can make remarks about inflation and get the headlines in this country to delude the people, surely it is fitting that the member for Lethbridge should answer what the hon. member had to say, even if he does not get the headlines.

In respect of this matter of inflation, I am answering what the member for Greenwood implied that we had in Canada at the moment.

The Chairman: If any reference was made by the hon. member for Greenwood to inflation, and I think I listened carefully to what he said, it was certainly a very minor one. I thought the hon. member was discussing this resolution. I feel that hon. members generally will agree that this resolution is considerably confined, and I do not think hon. members would wish me to allow a general discussion on inflation on a resolution of this kind, and I certainly do not intend to do so.

Mr. Blackmore: I am not opening up, Mr. Chairman, a general discussion; I am pointing out how absolutely fallacious the remarks of the hon. member for Greenwood were when he made objection to the expansion of the powers and functions of this bank; that is all. How could an extension of the activities of this bank, as is proposed in this resolution, possibly result in inflation when we have three or four different conditions existing in Canada which are anything but inflationary, namely substantial unemployment; surplus goods of every kind; we have extensive credit buying, indicating there is a shortage of purchasing power, and we have a tremendous amount of resources which are not being used.

In the face of those four conditions, how could anyone maintain that the expansion of money through this industrial bank is going to cause inflation? I will say no more at the present time about this aspect of the question. I simply state that no fact-facing individual who is desirous of giving the truth will object to the enlargement of the powers of the bank on the ground that it may cause inflation. That would be the second general observation of Social Crediters.

The next one is simply that something must be done to prevent the influx of United States capital into Canada to buy shares in our productive enterprise. I wonder whether the government really intends to give this country to the United States. I wonder whether government policy is definitely designed to get Canada so deeply in debt to the United States that she will come one morning and take us all over. We are permitting a vast accumulation of United States capital, as the hon. member for Nanaimo pointed out, to go on, with nothing being done by Canada to offset that, to produce Canadian capital with which to buy our own enterprises and develop them, thereby preventing so great an influx of United States capital. I would say that this move to expand the activities and the powers of this industrial development bank is a move designed to prevent in a measure the enormous use of United States capital in the development of Canadian industry.

The next comment which I would make is simply that the interest rate is going to be too high. I see no reason why the interest rate should be as high as it has been on loans from this institution. I see no reason why money should be borrowed by this institution with which to carry on its activities. I see no reason why the Bank of Canada should not create all the money required for the activities of this bank and put that money at the disposal of this bank at the cost of creating the money. The more I see—

Mr. Fraser (Peterborough): That is inflation for you.

Mr. Blackmore: That is what the Bank of Canada was created for, was it not?

Mr. Fraser (Peterborough): Not for inflation.

Mr. Blackmore: What is the Bank of Canada given the power to create money for?

Mr. Fraser (Peterborough): Not the way you want it.

Mr. Blackmore: The hon. member thinks that any increase in money is inflation. Well, he has not even learned the a.b.c.'s about inflation yet. He just does not know what the word means. He has picked up some antiquated old dictionary and has found in it the statement that an increase in money is inflation. There is no inflation unless there is a rise in prices, and if there is a rise in prices which is not the result of money, that is not inflation.

Mr. Fraser (Peterborough): Just what is inflation, then?

Mr. Blackmore: Inflation is a rise in prices resulting—

The Chairman: Order. I hope the hon. member for Lethbridge will not answer that question.

Mr. Fraser (Peterborough): He does not know the a.b.c.'s of it.

Mr. Blackmore: I did not hear what the chairman said. I answered an argument of the hon. member for Greenwood a short time ago who said that inflation was too many dollars chasing too few goods. Talk about having too few goods in Canada when we have a surplus of every kind of goods we can make, and labour ready to go to work to produce more goods, and a large percentage of our factory capacity unemployed! Talk about inflation in a situation like that! Why, it is just simply ridiculous; it is not to be believed. Therefore, I say, Mr. Chairman, the minister should be taking money out of the Bank of Canada with which to finance the activities of this bank.

These are the only objections and the only criticisms that I have to make in respect of the resolution before us. Therefore, the minister will have the complete approval of the Social Credit movement in going forward and expanding the activities of this industrial development bank to the extent that it will be able to finance a very large percentage of the industrial activity of this nation.

Mr. McIvor: Mr. Chairman, I am intensely interested in the amendments to this act because of certain business people who cannot borrow from this bank. In our cities and towns our retail merchants have had a hard time because of the competition of chain stores and mail order catalogues from Canada and from the outside. These retail stores have decided to compete with the chain stores by changing the internal part of their stores and making it easy for a customer to pick up his basket and pick out the goods he wants the same as he can do in a chain store. The result is that they need to expand their buildings because their business is increasing. What I want the minister to tell me today or later is that these retail merchants, headed by the retail merchants' association of Canada, will be able to borrow from this bank, just as wholesalers and other business people can, for the construction of the extensions to their stores.

Thank you, Mr. Chairman, that is all I have to say now, but I shall say more later on.

Mr. Hamilton (York West): Mr. Chairman, we certainly have wonderful opportunities here to take courses in economics, which cram in all the very different points of view in the course of a very few minutes.

I find myself just a bit on the horns of a dilemma in connection with how I feel about this resolution. I think it is well-known here that members of my party and I are strong advocates of the free enterprise system. I heard someone say "what does that word mean?" I, of course, understand that it is a word that a lot of people dare not pronounce at all, but it is one that I still feel I can use without any fear. It may be that in this particular instance the people who might have made sure that this type of help was available to industry may have overlooked the possibilities.

I believe the real reason for the legislation was to cover the gap which existed under our banking system and that which existed in the United States. Under the legislation in the United States the banks are quite entitled —the terms of reference under which they operate—to take security on real property as a method of giving loans. In this country, of course, that is not possible. Under section 75 of our own Bank Act, subsection 2(c), we find that our banks are not permitted to lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property. I know there is one exception to that, which is set out under section 79(1), under which they are entitled, under certain circumstances, to take mortgages of that kind as additional security. But generally speaking, the rule precludes them from making use of that kind of security. That restriction is not apparent under the United States legislation,

and as a result the average industrial borrower is able to get pretty good coverage as far as his financial requirements are concerned. When I speak about the average borrower, I am speaking about the smaller businessman. When we get up into the class referred to by the minister, the people who are borrowing $200,000 or more, in most instances they are able to go out and get a financial house somewhere to float their debentures, and are able to get the help they need. If I understand the amendment in this connection, it will tend to increase the help in that category, but I do not see it becoming any more available, as a result of this particular amendment, to those who are borrowing smaller amounts of money.

I am wondering why the chartered banks did not recognize this need, or shall I say this opportunity of getting into this type of investment. I do not think it was because they had not sufficient funds to handle this type of investment. Their most recent statements to the end of January this year indicate that the total amount of loans made by this government institution might be described as peanuts in so far as their total assets are concerned, and their ability to handle this type of transaction.

I want to give the same word of warning I gave last year when we were considering an item similar to this. If these institutions do not see the necessity for handling this type of loan, if they do not come forward at the time when assistance is needed, then they cannot complain if this government moves into every phase of business. I should think therefore that we might say to those institutions that this gap still exists. They are the people who have the facilities to handle this type of loan from one end of the country to the other.

I think this is one of the weaknesses in the industrial development bank set-up. We get their brochures every year and they indicate that they have only four offices across the country. That may be all right for those who are borrowing large sums of money and the necessity of travelling several hundred or a thousand miles to one of the offices would not be something to overcome them, but the small businessman who may want to borrow $25,000 or $35,000 has this hazard placed before him and there would probably be some reluctance to take this trip to see if he could borrow money. I think the total number of loans that have been made under this legislation offers concrete proof that this type of financing is not being made available to the people who really need it.

Then I think there is another restriction upon the use of the facilities of this bank. This is really an internal matter in so far as administration is concerned. I do not know whether the minister is moving to correct this, but he has indicated that greater responsibility may be given to the regional people in accepting applications for loans. I think it is ridiculous to place a limit of $5,000 on an application that may be accepted by someone who is acting in a supervisory capacity over one-quarter of the country. At the present time applications for greater amounts must be submitted to the head office. There are also time-consuming delays in connection with the administration of this act, and these should be eliminated for the benefit of the borrower who is at the stage where he needs money and needs it in a hurry.

I think the minister said something about the board of directors not having to approve in certain instances, but I think he should move to correct a situation where various people who are acting in a supervisory capacity in one part of the country or the other are going to find themselves in a position where they have no discretionary power at all in the case of the ordinary type of loan.

I know that it is a characteristic of the chartered banks that limits are placed upon the discretion of their managers, but it should be remembered that these banks have branches in almost every town and hamlet in the country and it is much easier for someone to go to a branch to make an application and then have it sent forward for approval.

In considering this particular problem I am reminded of the speech made the other day by the hon. member for Brandon-Souris who had moved a resolution about the decentralization of industry. If we are going to have true decentralization of industry there should be decentralization of the facilities of this bank, which was created for the purpose of ensuring that industry could get the type of assistance it needed.

If we are going to provide these facilities, let us make them available to the smaller groups of people; let us see that they are available to the smaller communities. They should not be concentrated in just a few offices. I see that the office in Montreal has jurisdiction right through to Halifax. The office in Toronto has jurisdiction from Montreal to Winnipeg. Then there is an office for the west and another one for British Columbia. If this bank is to fulfil its true role there should be additional offices opened in order to make its facilities available to other people.

I want to say that the amendment made previously has done a remarkable job in the air transport field. It has enabled the development of air transport to remote districts

by companies whose opportunity to borrow was limited because of the type of flying they were doing. It has enabled pioneering companies of this type to obtain assistance which would not have been available otherwise.

I have only one other observation to make. I notice that this bank does not pay corporation taxes. The other day one of the hon. members to my left argued that it should not be necessary for certain types of government institutions to make a profit, but it seems to me that if we are going to avoid socialism in the use of this particular type of institution we should expect this institution to face the same industrial and business hazards that we expect any other person carrying on any type of business or banking to face.

Mr. McCullough (Moose Mountain): Some members would insist on that though we would end up with economic suicide.

Mr. Hamilton (York West): Some hon. members feel that if we do not agree with what they say we will be committing economic suicide. As a matter of fact, the world has not committed suicide yet and there are very few places where that group happens to be running things. I submit that the operations of this bank should be carried on the same as those of any other type of business. They should be ready to face the same hazards and be able to come back here and show a profit.

As they do not have to pay corporation taxes I suppose it could be assumed that those who borrow probably get a better deal than the fellow down the street who has to borrow from another institution which must show a profit for its shareholders. However, I think generally those institutions are able to show a profit and still operate on the same basis as institutions which do not have to show a profit.

These are observations which I think should be made at this time. If the facilities were extended to provide greater access for the smaller type of businessmen, then I think this would provide a greater future for the employees of this bank. I think there is a tendency in a great many cases with institutions of this kind that their employees get to a certain level and their opportunities then disappear. As a result we find that we lose a great many well qualified people from these institutions to other places in the economy. If we are going to use this type of thing, let us see that it benefits not only those who are borrowing. Let us see whether it can be made to give some benefit to those who spend their lives doing this work.

[Mr. Hamilton (York West).]

Mr. Regier: In the preamble of the annual report of the industrial development bank I notice a portion of a sentence that refers to the objects of the bank. It says that one of its objects is with particular consideration to the financing problems of small enterprises.

The industrial development bank, I take it, was organized to provide a means of granting assistance to small enterprises. It was meant to be a means of sustaining and developing the so-called free enterprises of the dominion. However, when we look at the statistics released recently by the Department of Trade and Commerce and see the economic outlook for 1956, telling us that next year we can expect the sum of $7,500 million to be invested in Canadian enterprise, and when we look at the amount that is being supplied by the industrial development bank to small enterprise, and we realize that this year it was less than $13 million, we come to the conclusion that the government of Canada has very little faith indeed in the solvency of so-called small enterprises.

Small enterprises in Canada is the only type of free enterprise that we have, and I have regretted to see so little assistance available—$13 million out of $7,500 million—to small enterprises. Large enterprise is able to get all the money it needs in the money markets of the nation and, if it is unable to get it here, as in the case of the Trans-Canada Pipe Lines, it then goes south of the border and is able to add to the amount of money available to it. I am quite prepared to grant that a large share of this $7,500 million that is going to be invested next year is being invested by the federal government, the provincial governments, the municipal governments and other local bodies such as hospital boards and so forth. However, the fact remains that nowadays there is oodles of money available for municipal, provincial or federal government enterprise. There is oodles of money available for huge private enterprise. There is very little money available in the nation for small enterprise; and I regret this.

In looking at the distribution of the little money that is available to small enterprise, I regret that, of the $12,700,000 that I believe was loaned by the industrial development bank last year, almost the whole of this money went to that section of industry that was engaged in manufacturing. The industries engaged in providing services received very little money indeed. The hon. member for York West expressed his appreciation of the money that was available to one service industry, for the expansion of air services. However, I believe that if he will look at the record he will see that thus far, out of

the $104 million worth of loans made, the air services received slightly over $3 million, a niggardly percentage. I see that the refrigeration services received only a little over $5 million.

If we look at the list of individual enterprises given on page eight of the report, we note that almost all of the money that was available was made available to manufacturing industry. You had to turn out a product, or your application was almost automatically laid aside and you were declared ineligible. For example, I know the case of a man in southern Manitoba who erected a cleaning plant. These cleaning plants for the cleaning of seed grains are becoming popular across the prairies. This man found, after the completion of the building and the installation of some of the necessary machinery, that his estimate of the costs exceeded his estimate of the funds he would have available, and he applied to the industrial development bank for a loan. He received a very abrupt reply to this effect: "You are a man of good character; your investment in this enterprise will be much higher than the minimum standards laid down. However, because you do not manufacture a product, you are ineligible for a loan." I think that is regrettable.

I think our investment in Canada in enterprises of additional productive capacity is high enough. It is time we called a halt and applied the brakes to this ever-continuing investment to add to the productive capacity of the nation, the ability of the nation to produce more and more of the goods which we already cannot sell and for which we cannot find markets. More of the available resources of our nation might be devoted to investment in the provision of services.

I regret, for example, that more of the funds are not made available for investments on the part of our Canadian municipalities. I feel that amendments might very suitably be introduced whereby the industrial development bank might be used as an instrument to help municipalities to finance self-liquidating projects.

I am not advocating that money be made available to municipalities for the building of sidewalks or any other non-self-liquidating project. However, I think that such things as the municipal distribution of natural gas, electrical energy and municipal water services could very well be financed through the industrial development bank.

I regret that the industrial development bank is not operating to its authorized capacity. I believe it is authorized to make loans to a maximum of $75 million. However, I see that total loans outstanding at the present time only amount to some $44 million. Only a little over half the money available by law to the industrial development bank has yet been made available to Canadian industry. In my opinion the policies of those charged with the responsibility of administering the act are far too conservative. When we look at the record of the losses that have been suffered I think we will have to agree with the statement that the operations of the bank have been on a far too conservative basis. Last year their write-offs were only $37,000 out of an interest income on loans, investments and guarantees of $2,193,848. Looking at the whole history of the bank, we see that since November 1, 1944, it has had interest income—I should like to emphasize the word "interest"—of $12,329,626 while losses only amounted to $355,101. I think that in itself is sufficient evidence to convince anyone that the industrial development bank has not been taking its fair share of risk and has been overly and ultra conservative in its policies. The losses are small.

I believe that another reason why the bank has not been utilized even to the degree now allowed is that the services of the bank are, relatively speaking, unknown to those who have the greatest need of the bank. I think it can be fairly said that there is hardly a multimillionaire in Canada who does not know of the services available to the Canadian people through the industrial development bank. I think it is fair to say that there is not a member of the house or of the other place who does not know of the services available through the industrial development bank. However, as I go about the country I find that very few of the small enterprisers, and these are the only free enterprisers, have ever heard of the services made available by the parliament of Canada through the industrial development bank. I think a lot more energy might well be devoted to making the services that are available known to those who need the services and for whom the services were meant in the first place.

In glancing at who are responsible for the administration of the act and the names of the board of directors from across the country, I fail to see a single representative of the small enterprisers of our nation. I see a goodly number of men who are responsible for some of our major Canadian enterprises and who, if and when they need money, are easily able to obtain it, as are their associates, in the money markets of the world. We have our government bodies to whom money is available by the floating of bonds and debentures. We have our multimillion dollar corporations to whom money is available in the money markets of the world. However, in the case of those owning small

enterprises money for capital expansion is often very hard to get, and in my opinion there should be some representative on the board of directors of those for whom the services of the bank are meant.

We had a resolution the other day concerning the decentralization of industry in Canada. I intended at that time to say a word on the decentralization of the biggest industry in the country, the government of Canada. Among other things that I meant to mention at that time, and I am going to mention it now because it is applicable here, is that in the list of supervisors of the bank I see the name of Mr. N. C. Tompkins, 475 Howe street, Vancouver, B.C. Mr. Tompkins is supervisor for the whole of Alberta, British Columbia, the Yukon and the Northwest Territories. The bank is intended to aid small enterprises, and I do not believe that a man stationed at 475 Howe street, Vancouver, has much knowledge of small enterprises in the northern part of Alberta. I think it is time that the government decentralized its own affairs. If the industrial development bank is supposed to help small industry, its operations will certainly have to be decentralized to a much greater degree than to have one supervisor responsible for as vast a territory as Alberta, British Columbia, the Yukon and the Northwest Territories.

As I mentioned before, I am concerned about the conservative policies of the bank as evidenced by their very small losses. I should also like to add that I think the bank is too conservative in that it provides only some of the debt capital and none of the risk capital of Canadian industry. I believe it could perform a valuable national service if it turned some of the United States capital invested in Canada from the risk capital category to the debt capital category. As far as I can ascertain, the industrial development bank is only willing to enter into the debt capital field and enters the risk capital field only to the extent of surplus funds on hand. I think that policy is wrong and a lot could be done both in the interests of Canadian industry and the national welfare of the country as a whole.

Mr. Mitchell (London): Mr. Chairman, in view of the fact that the bill to follow the resolution is going to go before the banking and commerce committee I have only one very short comment to make. I believe that the act as it has worked in the past has been in fact of considerable assistance to the small business enterprise which finds it difficult to attract capital in its initial stages. I have one worry resulting from the resolution which leads me to ask this question. Is the increase in the authorization for the larger loans going to drain away money which was heretofore available for the smaller loans? Apparently there is no intention to increase the capitalization of the bank. When the bill is before the banking and commerce committee I hope there will be given some explanation as to why it has been found necessary or, in fact, desirable to make more larger loans available to institutions which, it appears to me on the face of it, could well find their necessary capital requirements through more normal money markets.

Mr. Hamilton (Notre Dame de Grace): I have just a few comments to make on this bill, Mr. Chairman. I think all of us from Montreal have followed the rise and development of the bank with particular interest because it is one Ottawa operation which has been decentralized and which has, as it has had since its inception, its head office in Montreal. Just for a moment I should like to pay tribute, in dealing with the resolution, to the officers of the bank and the contribution which they have made not only to the development of the bank itself but in certain ways to the advancement of Montreal. I am thinking particularly of the man who took charge of the industrial development bank at its inception in 1944 and more or less guided and directed it until just a short time ago. I refer to Mr. S. R. Noble. Not only did he do an outstanding job for the government in that capacity but he found time to be a key figure in the development of one of our hospitals in Montreal—I refer to the Julius Richardson Convalescent Hospital Incorporated—and to play his part in the community in many ways. I think that men like him, coming from the public service of Canada, are both a credit to the public service and of great benefit to the community in which they are located.

The hon. member for Burnaby-Coquitlam in his remarks made one statement with which I at least should like to take issue. There may have been other statements I should like to take issue with, but to my mind this was an outstanding one. He said in effect that he felt it is time that we called a halt to this investment in manufacturing capacity in Canada, the producing of goods we cannot sell. He then went ahead to say that he would prefer to see investment in the service industries. We had this afternoon two speeches from hon. members of the C.C.F. party. The one preceding the hon. member for Burnaby-Coquitlam sounded to me very much as if he wanted an expansion of industrial capacity and welcomed the opportunity to find more capital for that purpose. I have already quoted the diametrically opposed remarks of the hon. member for Burnaby-Coquitlam.

Mr. Regier: Not necessarily opposed.

Mr. Hamilton (Notre Dame de Grace): On the *Hansard* record, Mr. Chairman, they are certainly and necessarily opposed irrespective of what, as an afterthought when the discrepancies are pointed out, the hon. members may feel.

I mention this point because I think that any group in this house, on this question of the development of Canada and the development of our manufacturing and industrial capacity, should have a clearly-defined and definite policy.

Mr. Ellis: Tell us yours.

Mr. Hamilton (Notre Dame de Grace): I definitely shall do so. That is what I am coming to. I think the socialist party to my left are pulling in their horns and would like to see us go back to being a nation of hewers of wood and drawers of water. It is very interesting to have this on the record. Certainly one reason that I am in this Conservative group in this house, and one reason why I have a great deal of sympathy with the industrial development bank and its purpose, is the fact that I stand four square for the development of manufacturing capacity and industrial capacity and for the development of the economy of this nation as a whole. That point has been made time and again by members of this party. I think we saw, in some of the remarks that were made this afternoon, an evidence of one clear-cut difference between at least one of the gentlemen to my left—

Mr. Ellis: The Tories put both points of view in one speech.

An hon. Member: You can even change your vote.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, perhaps that is a misinterpretation of the fact that the Tories always try to look at both sides of a subject—

Mr. Ellis: And play both ends against the middle.

Mr. Hamilton (Notre Dame de Grace): —and then choose and support that which we believe to be right.

Mr. Dinsdale: Common sense.

Mr. Argue: Nonsense.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, you seldom—I almost said never—see a situation such as that which arose in the C.C.F. party this afternoon represented in the ranks of this group.

Some hon. Members: Oh, oh.

Mr. Argue: The whole party does it over there.

Mr. Ellis: It is a commonplace over there.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I enjoy all these interjections. I remember that when I first came to this house, someone said to me, "They will never barrack you or interrupt you unless you are making them uncomfortable and unless you are scoring points against them".

Mr. Ellis: Or entertaining them.

Mr. Hamilton (Notre Dame de Grace): There is nothing that pleases me quite so much as the type of barracking which I am getting from the socialists at the present time.

Having said that, Mr. Chairman, I should like to deal with one or two further points on this bill. The hon. member for Burnaby-Coquitlam made one point which I find here in my notes and on which we certainly find ourselves in agreement, namely the need for this industrial development bank to make itself better known to the small business men in Canada and to sell its services to that group in our economy. In a few moments I shall make reference to the rather weak job which has been done in that particular field by the bank. But I would point out that nowhere in their operating statement for the preceding year do I find any item whatsoever representing advertising or a sales effort of any kind on the part of this bank. As the large commercial banks move ahead and as they quite properly expand their operations and make their services better known to the Canadian public, it seems to me that a similar function might well be performed by the industrial development bank. As one example of the public relations work which is being done in this field by the other banks, I need only cite the monthly news letter published by, for example, the Royal Bank of Canada, the Bank of Montreal and the Bank of Nova Scotia. Those documents play an important part in influencing Canadian business men and in making them conversant with various matters. While I certainly do not counsel a tremendous expenditure on publications by the industrial development bank, nevertheless, since it is apparently going to have even more to do as the result of this bill which is to come before us, I would hope they would make an increased effort to let the small business men of the country know of the availability of their services.

Now, I would refer for a moment, Mr. Chairman, to the composition of the board of directors of this industrial development bank. It is an interesting fact that one-third of the board of directors come from Ontario,

five out of the 15, and two out of 15 come from Quebec. The remainder of the board is composed of one member from each province in Canada. When I set that against the loans being made by the bank I found a surprising discrepancy. For example, taking the current authorizations at September 30, 1955, we find that while Ontario has one-third of the directors, businesses in Ontario have borrowed only some $19·6 million out of a total authorization for all parts of Canada of $67 million. Against that we find that Quebec, with only two directors, has borrowed $26·4 million, substantially more than Ontario. And then, we find that British Columbia, with only one out of the 15 members on the board, has had authorized for the use of businesses in that province some $11·6 million. It would seem to me that there is a substantial discrepancy between representation on this board of directors and the activities of the bank in Canada. While I have no doubt they are all fine and estimable men—I see a number of them are members of the public service of Canada, which makes them doubly estimable, I have no doubt, in the view of this house as in my own view—I would hope that some consideration would be given to dividing this one-third group from Ontario and distributing directorships somewhat more widely across Canada.

Again, the point has been made that the bank tends to work most heavily in the field of large loans, that is large loans for it. But I do not think anyone has yet made the point this afternoon of just how evident that is, because some 50 per cent of its total current authorizations at September 30, 1955, were for loans of $200,000 or over, whereas for loans of under $200,000 they only had the remaining 50 per cent of the bank's authorization. Admittedly many more individual firms were represented by smaller loans, but even there there was only a total of 632 firms with loans of $200,000 or less. In the real small-business class, with loans of $25,000 or under, there were only 240 firms that currently enjoyed the benefit of this banking service. I, for one, would be very happy to see the extension of the bank's activities more heavily in the field of the small borrower, the man who most needs this help, rather than in the field of the large borrower.

Mr. Macdonnell: I should like to ask the minister one or two questions. A point has been made that one effect of the present amendment will be to increase the amount from $50 million to $75 million which may be used for loans of $200,000 and over. In view of the fact that the total lending power is not, I think, being increased, that means that automatically the amount available for smaller loans may be restricted. Can the minister say whether there has been an indication of increasing applications from the $200,000 and over class? Can he say whether the bank expects that, from some of the new businesses which may be dealt with, larger loans are to be especially expected?

Mr. Harris: First of all, Mr. Chairman, there is no particular large loan expected, but as my hon. friend knows, the amount of loans that may be used for loans over $200,000 began at $15 million, was then increased to $25 million, then to $50 million and now it is proposed to go to $75 million. Each of these changes has been made in connection with an extension, if you will, of the lending authority. As he pointed out himself in his earlier remarks, on the last occasion it was when we introduced into the class of matters on which loans could be made commercial aircraft. Now, at this time, when it was felt desirable to extend again the class of businesses to which loans could be made, it was felt that in that group there would be a proportionate number which would be over the $200,000 and for that reason it was thought desirable to increase the limit from $50 million to $75 million. I think the evidence which will be produced to the committee will show that, so far as I know, there is no one thing or one group of businesses except those we are now introducing for the first time which would give rise to the additional lending authority over $200,000.

Mr. Brooks: I just wanted to ask the minister one question. A good many of those speaking in this debate have emphasized the decentralizing effect of this borrowing, and of course that is a splendid feature. I should like to know from the minister just how much it does benefit each section of the country, that is if he can let me know how the borrowing has been distributed in the different sections of the country to illustrate just how there has been decentralization in the matter?

Mr. Harris: I am not in a position to do that at the moment, Mr. Chairman, but before the committee we will produce the figures by provinces or by areas to my hon. friend's satisfaction to indicate how this has been of use to businesses which otherwise would not have had a loan.

Mr. Brooks: You are satisfied it has been.

Mr. Harris: Yes.

Resolution reported and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 165, to amend the Industrial Development Bank Act.

Motion agreed to and bill read the first time.

SMALL LOANS ACT

AMENDMENTS RESPECTING COSTS, LICENCES, REPAYMENT, ETC.

Hon. W. E. Harris (Minister of Finance) moved the second reading of Bill No. 51, to amend the Small Loans Act.

Mr. Macdonnell: Is the minister going to make a statement?

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): The minister has indicated, Mr. Speaker, that it is his proposal that this bill be referred to the banking and commerce committee. Because of that, and since we have already had a debate this session on a public bill on the subject of small loans, and because we had a debate last year on the subject of small loans with respect to a similar bill, I propose to be quite brief. I know also that this particular bill has been in circulation for some time and has had fairly widespread comment throughout the country.

Last year, in connection with the debate on the bill proposed by the hon. member for Assiniboia I made some reference to the work of the parliamentary committees in this field in 1938 and 1939. My remarks are contained in *Hansard* of last year in the debates of May 6 and May 27. I do not propose to repeat illustrations of the points of view of the parliamentary committees again today. I do think, however, it would probably be appropriate to summarize the aims and objectives of past parliamentary committees by quoting from a brief that was submitted to the government last summer by the representatives of lenders in the small loans field. Amongst other things they gave the parliamentary committee this credit by saying:

> In the words of the chairman of the House of Commons banking and commerce committee,—

That is the committee of 1938.

> —"throughout its inquiry your committee's objective has been to secure the best procurable rate for the borrower".

That is the end of the quotation of the words of the chairman of the committee at that time. The brief of the lenders in this field went on to say:

> In fact, the entire report of the House of Commons banking and commerce committee presents an excellent analysis of the basic problems inherent in providing consumer loans.
>
> The two-fold purpose of the legislation was:
>
> 1. To protect the borrowers against exploitation by unethical and illegal lenders.
>
> 2. To provide a regulated lending service on a broad scale at a rate sufficient to provide an adequate supply of capital to meet the need.

The Small Loans Act does not apply to banks; it does not apply to pawnbrokers, and it does not apply to lenders whose charges do not exceed 12 per cent per annum. It does not apply to loans that are made beyond $500. The act stipulates that lenders of between $1 and $500 who have in mind a charge in excess of 12 per cent per annum must obtain a licence, must report to the Department of Insurance with respect to their business transactions; and interest and all other charges in connection with the accommodation to the borrower must not exceed 2 per cent per month.

The volume of business in this field has grown rather impressively. In the first year of our supervision, namely 1940, I believe the total volume of business was about $20 million. It is expected that in 1955 the volume will be not quite but almost ten times that amount of lending.

As I have indicated, at the present time there is no regulation with respect to lending over the amount of $500. Our statistics and information as to the extent of personal loans that are made in the field above $500 are not too complete. However, the licensed lenders who lend in the field under $500 do apparently supply to the Department of Insurance information as to the extent of their business in the field over $500. In addition to that, one of the large lending companies in Canada lends exclusively in amounts over $500, and information as to their business is available. And then, of course, there is known to be lending for which there is no report. But we do know there has been a great and rapid development in the amount of money that is being lent in the nature of personal loans in the field over $500.

Our information is that generally licencees under the Small Loans Act who lend both with respect to amounts under $500 and over $500 generally charge 2 per cent with respect to loans over $500. There are a few of the licensed lenders who charge less than that. We know of one or two who, in this unregulated field, charge more. And of course we have heard from time to time of unlicensed people who charge much more than the 2 per cent, which is the amount stipulated under the present Small Loans Act for loans under $500.

The association of licensed lenders have themselves indicated that, because of excessive charges sometimes made by unlicensed lenders in the field above $500, it appears now that it might be desirable to have a higher ceiling for the Small Loans Act. The

bill with which hon. members are familiar proposes that the ceiling be raised, that the government regulation be raised from $500 to $1,500.

If the scope of the act is increased from $500 to $1,500, I think it will be obvious to all hon. members that it would be inequitable and undesirable to maintain the same maximum interest or cost rate for the large loans that is now provided for relatively small loans. Thus the bill proposes that there be a graduated interest or cost rate, and it is proposed in the bill that the rate be 2 per cent on any part of the unpaid principal balance, not exceeding $300, plus 1 per cent on any part of the unpaid principal between $300 and $1,000, plus—if the loan is beyond that—one-half of one per cent per month on any remainder of the unpaid principal exceeding $1,000 up to the proposed ceiling of jurisdiction, which is $1,500.

In considering the propriety of a rate of this kind, hon. members might be interested in some of the rates that are applicable in the United States at the present time. When our act was introduced in the late thirties the regulated ceiling was set at $500, a higher ceiling than was generally provided in most of the states of the United States, which at that time was $300. Having regard to the fact that it is equitable to have a rather lower maximum rate with respect to a large loan in relation to a small loan, our maximum rate was rather lower than generally prevailed in the United States at that time because our ceiling was $500 instead of $300.

I find that the situation at the moment is that in the state of New York the charges under their small loans act are 2½ per cent on lending for the first $100; 2 per cent between $100 and $300, and one-half of one per cent between $300 and $500. They do not take jurisdiction under their small loans act beyond a ceiling of $500.

In the state of New Jersey the rates are 2½ per cent up to $300; one-half of one per cent from $300 to $500, with the maximum loan under their regulations being $500.

In the state of California the rate is 2½ per cent for the first $100; 2 per cent between $100 and $500, and five-sixths of one per cent between $500 and $5,000. It will be seen that they have a very high ceiling of jurisdiction, namely $5,000, which I believe is the largest in the United States.

In the state of Pennsylvania the rate is 3 per cent on the first $150; 2 per cent between $150 and $300, and 1 per cent between $300 and $600. They have a ceiling of jurisdiction of $600.

[Mr. Benidickson.]

In order to give a comparative effective rate of interest in relation to the proposed maximum rates in the present bill and those charged in the states of New York and New Jersey, which I have indicated, the figures would be as follows: If the loan were $300 the charge under the rates recommended in the present bill would be 2 per cent; under the New York legislation the rate would be 2·26 per cent; in New Jersey the rate would be 2·50 per cent.

In the case of a loan of $500, which is the maximum of jurisdiction in those two states, the effective rate of interest under the present bill would be 1·81 per cent; in the state of New York it would be 1·88 per cent; in New Jersey, 2·12 per cent.

The bill recommends that the rate of interest or the rate of maximum cost will continue to be expressed as an all-inclusive percentage of the amount of funds loaned. This was the recommendation of the parliamentary committee of 1938, and I think it is generally the practice in the small loans field in the United States.

The bill contains a prohibition against the splitting of loans. Hon. members will realize that when the maximum rate of interest is on a graduated scale, being less for the larger amounts, there might be a tendency for a lender to exert pressure on an applicant for a loan to divide his application, a portion to be advanced to himself and a portion probably to his wife. As a consequence there would be a higher over-all rate of interest on a split loan provided to the lender. That is being legislated against in the bill.

As I have explained, the definition of cost of loan at the present time is quite embracive and includes practically all possible costs that might be involved in connection with a loan of this kind. However, it has come to our knowledge that in recent years lenders, particularly in the United States, have to a growing degree been asking borrowers to take out insurance policies, and the cost of the premium is an extra cost to the borrower. There has been little experience of that happening in Canada, although some lenders have voluntarily provided life insurance or other forms of insurance in connection with their loans for their own better security. The bill will provide that if an insurance policy is considered desirable by the lender the cost will be included in the definition of over-all cost to the borrower.

The present act provides with respect to overdue loans and loans for rather long periods that the rate of interest will revert from the maximum of 2 per cent to 12 per

cent per annum. A rate of 12 per cent per annum works out legally and technically at ·95 of 1 per cent per month. Hon. members will realize that this is an awkward arithmetical calculation for all concerned, and it is proposed in the present bill that when 12 per cent per annum is referred to it will be 12 per cent per annum payable at the rate of 1 per cent per month, which is a much easier figure for arithmetical purposes.

Notwithstanding the Small Loans Act, the Money-Lenders Act is still in existence. I think that act was originally passed in 1906. For all practical purposes it has been superseded by the Small Loans Act. The continuation of the Money-Lenders Act is confusing to most persons and since its effectiveness is practically nil the present bill proposes to repeal the Money-Lenders Act.

In order to provide time for necessary investigation of lenders not presently licensed but who would become subject to the act, and also to enable licensees to make all necessary changes in practice, it is recommended that the amendments come into force on January 1, 1957.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, this is a bill to amend the Small Loans Act, 1939. At the time the original bill was introduced the banking and commerce committee went into the matter fully and there is a report in the proceedings of the committee for that year. In 1946 the situation was reviewed and changes in the interest rates were considered but were not recommended. The banking and commerce committee report of that year again indicates a full discussion of the subject.

This business is of substantial size, as is indicated by the fact that in 1954 the number of small loans made was 831,721. We think it is desirable that the operation of the act should be reviewed, and are glad that the bill is to be sent to the banking and commerce committee where opportunity will be given for both borrowers and lenders to state their cases.

It should be pointed out that conditional sale and hire-purchase agreements where merchandising and loan transactions are included in the one transaction, do not come within the purview of this act. The reason given is that constitutionally this is a provincial matter. No doubt this question can be carefully looked into when the banking and commerce committee meets.

As I have said, we approve of a review of the operation of the act and will vote to have it sent to the banking and commerce committee. In doing so we are not committing ourselves to any particular rate of interest but to a review of the whole situation, where both borrowers and lenders can come and state their case.

Mr. H. R. Argue (Assiniboia): I wish to express my appreciation to the parliamentary assistant to the minister for his very comprehensive review of this field in introducing this important bill. I welcome the proposed bill and the proposed amendments contained in it. I think it is a demonstration once again that parliament can be effective.

There is a view held in some quarters, which we hear expressed from time to time, that if a member of the opposition should propose a resolution or a bill, he automatically spells the doom of the proposition he advocates, and nothing can come of it. That would be rather a bleak attitude to take of this parliament and of parliamentary democracy if because a member of the opposition sponsored something, the government would automatically oppose doing anything about it.

There are, of course, many instances in which members of the opposition have proposed public bills or resolutions which the government, in fact agreed to adopt and put into legislative form. The hon. member for Winnipeg North Centre (Mr. Knowles) proposed and subsequently obtained amendments to acts that would prevent stoppage of pension rights to persons because they had gone on strike. The hon. member for Kamloops (Mr. Fulton) proposed a year or so ago that red wrapping should be removed from packaged bacon, and the government accepted that proposition.

I could go on and name other instances. The hon. member for Kamloops proposed that crime comics be abolished, and that suggestion too was adopted by the government. Other instances could be mentioned. The hon. member for Winnipeg North Centre, advocating that all medical expenses should be deducted from income for taxation purposes, was able to get the government to agree to reduce the 4 per cent provision to 3 per cent.

This is another of those instances where a proposition sponsored by a member of the opposition has found at least a measure of support on the government side of the house. Because of the general agreement among many members of different parties in the house and because of general support throughout the country, it has resulted in steps being taken to improve existing legislation. I am happy over the part I had to play in this field. As the parliamentary assistant pointed out, last session we had a considerable discussion based on a bill standing in my name, Bill No. 304, asking that the maximum rate

on all loans be reduced from 2 per cent per month to 1 per cent per month. Again during this session, of course, I moved Bill No. 3 asking for a limitation of interest to 1 per cent per month.

The argument that is used time and time again against a substantial reduction of interest on small loans is the contention that small loans are in fact risky, that money-lenders, small loans companies and banks have to be particularly careful in making small loans because this is a high risk field. I do not think the evidence of what has happened in the past will bear out that contention, because small loans companies themselves have been able to operate satisfactorily with a reserve for bad debts of just ·26 per cent. The Bank of Commerce, which has done more than any other chartered bank in the field of small loans, from time to time has reduced its reserve for bad debts until this reserve is now ·25 per cent. I think that is the best evidence that the people who obtain small loans are, in fact, excellent risks and, at least to the extent of 99·75 per cent, meet their obligations as they have agreed to do. Therefore I see no reason why they should continue to be charged high and excessive rates of interest.

This legislation will be referred to the banking and commerce committee. I can already see in my mind's eye the representatives of the small loans companies appearing before that committee, pleading that this legislation spells blue ruin for their industry, saying that it is going to cripple them and endanger their solvency, and that it may lead to a serious restriction of their small loans. I do not think their forecasts will prove correct. As a matter of fact, whilst this legislation is important and whilst it proposes to reduce interest rates on certain small loans, I wish to point out that it does not go particularly far in reducing those interest rates.

The main provision, as I see it, is for a maximum rate of 2 per cent per month on the aggregate outstanding on any loan up to $300; for loans from $300 to $1,000 on the aggregate amount outstanding a limitation of 1 per cent, and for the amount beyond $1,000 a limitation of one-half per cent. Is that, in fact, a very major reduction in interest rates? Suppose a person borrows $500 under the proposed legislation. By how much is his interest rate reduced? It used to be 2 per cent per month under the law. If this borrower about whom I am speaking repays his loan in equal monthly payments, the effective rate will be reduced from 2 per cent per month to 1·84 per cent per month, so that on the whole body of small loans, as defined in the Small Loans Act as it operates today, there will be a reduction in the rate paid by borrowers of only 8 per cent. We are all agreed or most of us, I take it, that 2 per cent is too high. But I emphasize again that it is not a very substantial reduction, as far as the small borrower is concerned, on amounts up to $500. It is a reduction in costs of only 8 per cent, that is from 2 per cent per month to a rate of 1·84 per cent per month.

If one takes a borrower who obtains $1,000 and repays it monthly, the effective rate is reduced from 2 per cent per month to 1·48 per cent per month. For a person who makes a loan up to $1,500, the effective rate is reduced from 2 per cent per month to 1·27 per cent per month. So the person obtaining a large loan, defined as a loan of $1,500, will by this legislation have the amount he repays, that is his interest charge, reduced by about one-third. The person who obtains a loan of $1,000 will have his interest rate reduced by about one-quarter, from 2 per cent to 1·48 per cent. But the small borrower, which would include the great bulk of Canadians who borrow under this legislation, will have a reduction of only 8 per cent, from 2 per cent per month to 1·84 per cent per month.

I want to point out that according to the last report of the Department of Finance with respect to small loans companies and money lenders, for the year ended December 31, 1954, of 832,000 loans of $500 or less, 597,000 were for loans of $300 or less. In other words, 72 per cent of all the people who go to small loan companies to borrow money borrow amounts of $300 or less. Therefore this legislation, on the basis of the experience in 1954, will do nothing for almost three-quarters of the people who walk into the offices of small loans companies.

In the interests of the vast numbers of Canadians who obtain small loans I would ask the government and the members of the banking and commerce committee to reconsider the provisions of the bill, and I suggest that there should in fact be a limit of 1 per cent per month on all loans. I point out that a limitation of 1 per cent per month on all loans would reduce the effective interest rate on all loans covered by this legislation at the present time.

There are a number of companies in the small loans field, and the two largest are United States owned. These two largest companies do 83 per cent of the business. Therefore it is United States capital once again in this field, as in so many other fields, and in this field these two wholly-owned Canadian subsidiaries do 83 per cent of the business. We in this group would like to see

Canadian capital more active in this field as we would like to see it more active in other fields.

Here we have United States capital coming into Canada. Is United States capital being lent to Canadians through small loans companies? Generally speaking the answer is no. The United States company sets up a Canadian subsidiary, puts into the Canadian subsidiary a limited amount of United States capital, and then the Canadian company goes to the chartered banks, obtains large sums of money and lends these large sums of money to small loans borrowers.

Mr. Gillis: What are the names of the two companies?

Mr. Argue: The Household Finance Company and the Personal Finance Company. Those are the two big ones, and they make a lot of profit. They are not in the business for fun. In the latest period for which statistics are available Household Finance Corporation, the largest one, had a total interest income of $12·76 million. Its profit before paying taxes was $6·86 million or 47 per cent. I am sure there are very few corporations in Canada that are in the enviable position of Household Finance Corporation which obtains a profit equal to 47 per cent of its gross interest income.

Mr. Benidickson: What was the net after paying taxes?

Mr. Argue: I believe I can give that figure. I do not think I have it at hand, but I have something that I believe is rather comparable.

Mr. Benidickson: Taxes are almost half of the profits.

Mr. Argue: That is correct. The taxes are close to half the gross profit of the company.

Mr. Benidickson: You have not indicated what funds they had employed.

Mr. Argue: No. There are a lot of other things I have not indicated, but the statement I made is completely accurate. On the gross income obtained by this company from interest charges it is able to make a profit before taxes of 47 per cent, and even under the legislation now before the house the 47 per cent will only be reduced by 8 per cent and they will still have a very large profit of 39 per cent.

This legislation is not going to cripple the Household Finance Corporation. It is not going to cripple any of these loan companies. As a matter of fact they will still be in a position to obtain very large profits, profits that in my opinion are exorbitant in every way. Why are they able to make such large profits? Of course the main reason they are able to do so is that the government allows them to charge such excessive rates of interest.

People go to their offices to borrow money in large measure, I believe, because of the high pressure advertising campaigns put on by these companies. They spend enormous sums of money for advertising. The two companies to which I referred spent almost $1 million in the same period for advertising purposes alone. While the parliamentary assistant has pointed out, and quite correctly, that they pay almost half their exorbitant profits in corporation taxes, I want to point out to him that the Department of National Revenue allowed these companies I am sure I am correct—to charge the whole $1 million against expenses for income tax purposes.

Because they are able to charge in that way this very large sum of money spent on advertising, they on the one hand deny the Canadian government substantial revenue and on the other hand—and this is the more serious part of it—engage in advertising that is definitely misleading to a great many potential borrowers. You hear this high pressure advertising over radio and television. You see it in the streetcars and in the newspapers. Do you want to borrow any money? If you are in any kind of trouble go to one of these small loans companies. They are not going to ask you any embarrassing questions. They have a credit manager with a wonderful personality who would just love to see you. Come on in and talk over your business with him. You will not have any trouble. You will not have to sign too many documents. It will be a very simple transaction. We will do it on a personal basis, and the costs are very moderate.

They do not mention the interest rate. They do not mention the fact that their charges are excessive. As a result many people in need of small loans go to the small loans companies; and when they do they must, of course, pay these exorbitant rates of interest. I should like to see our banks occupy this field to a much greater extent. I believe that by and large our banks have been falling down so far as this field is concerned. According to the statistics, the small loans companies spend relatively 40 times as much as the chartered banks on advertising in the small loans field. The fact that the small loans companies spend 40 times as much on advertising no doubt accounts for them getting so much business.

I suggest that our chartered banks should engage in a moderate amount of advertising and make known to Canadians generally that they are prepared to make small loans to

people who are good substantial risks. I have no doubt that would include almost everyone who is interested in obtaining a small loan because, as I have already pointed out, the rate of loss in this field is very small indeed.

In fairness to the chartered banks I want to point out that the Canadian Bank of Commerce has already done a substantial amount in this field. Their experience so far has shown that they are able to compete wtih the loan companies in the same field with a much lower rate of interest. I have in my hand a statement made by Mr. Neil J. McKinnon, general manager of the Canadian Bank of Commerce, to the banking and commerce committee on May 11, 1954, in relation to this subject. He had this to say:

> I believe we are satisfied that we are in the field in the same sense that the small loan companies are. We believe that we are doing a similar type of business for which we are endeavouring to offer facilities at one-half their rates.

I should like to see our chartered banks occupy this field and do a great deal more advertising than they do in order to enable potential borrowers to obtain money, as they suggest, at half the rate of interest.

Mr. Benidickson: Mr. McKinnon said that the profit after taxes was a little over 1 per cent on the funds employed.

Mr. Argue: That is quite correct; and I do not think he complained about that profit. I think he was quite happy that they were able to give that service at the profit he suggested. I think even that operating margin of profit would allow the Canadian Bank of Commerce to do more advertising than it is now doing so that it could increase the amount of money it lends in that field. I do not know what other banks are doing, but I have been reliably informed that the Bank of Montreal is endeavouring to increase its loans in the small loans field and is making loans at a rate of 6 per cent, with certain other charges for drawing up contracts and servicing loans. It is operating with an interest rate of 6 per cent and charges that are not substantially above the 6 per cent rate.

I repeat that we in this group should like to see the government go much further than it is now doing. I point out again that even in the matter of a large loan, the rate is substantially above 1 per cent per month. Hence the adoption of our proposal would save money for borrowers borrowing all sums that will be governed by this act. There is no doubt in my mind that members of the Social Credit group will support this measure because it is, at any rate, a move toward lower interest rates. Of course one of their spokesmen will state precisely where they stand.

In this debate this afternoon I noticed that the hon. member for Greenwood (Mr. Macdonnell) did not say whether or not the Conservative party thought a 2 per cent per month rate was excessive. I want to point out that in any discussion we have had in the past with regard to this subject, we have yet to hear from a spokesman for the Progressive Conservative party. The hon. member for Notre Dame de Grace (Mr. Hamilton) this afternoon criticized members of the C.C.F. group because he said we had made the statement that we should like to see the capital used for service industries increased. I noticed the rather remarkable absence of any statement by the Conservative party as to how it stands with reference to the service that is being provided by these small loans companies.

While I think this legislation does not go nearly as far as it should, I believe we would be certain of having at least these provisions adopted and recommended by the banking and commerce committee if we knew the position of the Progressive Conservative party. But they are shifting from one foot to another. They are not taking a very responsible position this afternoon. They cannot be open to any great criticism, apparently, because they are not going to take a stand one way or the other. As I have said, we are prepared to support second reading of the bill, believing—

Mr. Hosking: Move an amendment and they will vote with you.

Mr. Argue: I imagine they will vote for this bill at some stage or another, but they have to be coaxed. They cannot make up their minds right off the bat. We can see that. Of course, if we criticize them there will be a long and academic explanation by the leader of that group as to why they took this very fair, responsible and parliamentary position of not saying how they would vote on second reading of the bill. We saw the attitude they took some time ago when a measure was divided into two parts. On the resolution they voted one way and on the bill another way. The explanation was that they had to see the bill.

This afternoon they have seen the bill. They have had weeks to see the bill. Yet even after seeing the bill they will not say whether the small loans companies, in charging Canadians 2 per cent per month, are in fact charging exorbitant rates. I believe that on this issue, as on other issues this session on which our group has already taken a position, we are in fact speaking for the great mass of Canadians generally who believe with us that a rate of 2 per cent per month is exorbitant and that even if we

reduced the rate, as it should be reduced, to 1 per cent per month, the small loans companies and the chartered banks will be able to stay in business and make a substantial profit, but at the same time we would save the ordinary people of this country a very substantial sum of money.

Mr. Victor Quelch (Acadia): Mr. Speaker, I am glad that Bill No. 51 is to be sent to the banking and commerce committee. When that bill is before the committee I believe we should investigate not only the question of consumer credit but also that of merchandise credit, because today merchandise credit is playing a larger and larger part in the sale of commodities.

When the question of small loans was before the banking and commerce committee back in 1938 I recall that we made an exhaustive study of the whole question. We had before the committee representatives of the credit unions, the small loans companies, the Canadian Bank of Commerce and many other financial institutions. One thing of great interest was that at that time we also paid attention to the relationship between merchandise credit and consumer credit.

It is interesting to note what the committee reported on that question in their third report. I should like to quote from page 418 of the report of the committee of June 1, 1938:

> The practice of mass-production resulted in a pressure for mass-consumption, with a widely advertised acceptance of "a small payment down and the balance on easy terms". Thus a large load of modern debt is in the form of unpaid balances for goods already consumed or in the process of consumption. These debt charges do not come directly within our reference or, for that matter, do they ordinarily come within legislative action; while legislatures have everywhere meticulously concerned themselves over debts incurred by borrowing money, legislatures have not shown equal concern over debt incurred by the purchase of goods.
>
> Whatever the legislative distinction; in practice, there is a relationship between merchandise-credit and money-credit that cannot be safely ignored in prescribing the rate of charges in borrowed money. A strict comparison of the rates of merchandise-credit with cash-credit is difficult, if not impossible, largely because the cash price of goods so often bears a portion of the credit-cost.
>
> However, it is safe to say that the two branches of consumers' credit are to some extent interchangeable. Upon evidence submitted to the committee, some of the money loaned at rates exceeding 2 per cent a month was borrowed to effect reduction in payment for goods, especially to avoid penalties under instalment plan of payment. And evidently there is a wide variation in the rates of charges involved in instalment sales. The committee was told that rates as high as 186 per cent per annum had been paid by Nova Scotian fishermen in the purchase of fishing equipment on six months' credit; while on certain household equipment the rate involved in instalment sales is about 12 per cent per annum.

Well, if that was true in 1938 I think it is probably even truer today, because we know that buying on the instalment plan and by charge accounts has become quite a big business in this country. I think, therefore, it would be very wise for the banking and commerce committee to spend some time investigating that situation and perhaps make recommendations regarding it.

The proposed amendments in this bill are improvements to the act in regard to the definition of costs, in regard to interest rates and in regard to the amounts of the loans that can be brought under the act at specified interest rates. But unfortunately this bill will not help the majority of the small loans borrowers, because the majority of the loans made under the Small Loans Act are for less than $300. For instance, I quote from one of the pamphlets put out by one of the large small loan companies, Household Finance Corporation, entitled "Consumer Finance in Canada". On page 5 it states:

> In Canada, there are now over 165 household offices in cities and towns from coast to coast. These offices make over 600,000 loans annually, in sums up to $1,000. Sixty-eight per cent of the loans are for sums of under $300—

Now, 68 per cent of all their loans are under $300, and those borrowers will not get any help at all from this bill because they will still be paying 2 per cent per month interest. I think most of us will agree that in all probability these borrowers of small amounts are just as much in need of assistance as some of those who borrow larger amounts. I believe we should try to set a straight rate of 1 per cent per month on the whole of the first $1,000. I realize, of course, that the cost of making loans in small amounts is higher, the overhead is higher, but on the other hand the rate of 1 per cent per month is approximately 13 per cent per year and that is an exceptionally high rate. I believe that a rate of 1 per cent per month or 13 per cent per year should be sufficiently high to cover the loans made under the Small Loans Act, even if you had to average the costs in order to get a fair rate.

As has been mentioned by the hon. member for Assiniboia, the average rate charged by the Canadian Bank of Commerce in 1954 was 10·46 per cent. I believe if it is possible for the Canadian Bank of Commerce to get on satisfactory with a rate of 10·46 per cent, it should be possible also for the small loans companies to get on with a rate of 13 per cent. This would allow them a slightly higher rate than the Canadian Bank of Commerce in order to meet their requirements. I know it is often said that it is a different class of borrowing; the people who go to the small loans companies are the people who are not

sufficiently creditworthy to get loans from the Canadian Bank of Commerce. But of course that is not true. The reason the very large percentage of people go to the small loans companies instead of the Canadian Bank of Commerce is that they want privacy. If they borrowed from the Canadian Bank of Commerce they would have to get an endorser or perhaps two endorsers. They do not like to do that, and they are prepared to pay a higher rate rather than get an endorser. It is not merely a question of privacy. I think we all realize the position of anyone who has to go to another individual and ask him to guarantee his loan at the bank. Consequently they go to the small loan companies and pay a higher rate.

Now, since the amendments to the Bank Act in 1954 the chartered banks are able to take chattel mortgages. It may be possible for the Canadian Bank of Commerce and other banks to make loans through the personal loan branch without insisting upon an endorsement, in a similar way to the small loans companies. But there are many loans made under the personal loans branch that are unsecured. I have been informed that 40 per cent of the loans made by the personal loans branch of the Canadian Bank of Commerce were unsecured, and 29 per cent of those made by small loans companies were unsecured. The cost on this type of loan would be less than for a loan that had to be secured by a chattel mortgage.

Then another reason people go to the small loans companies is due to what you might call the high pressure salesmanship exerted by the large amount of advertising that is carried on. I believe that is one place the small loans companies could cut down; that is the cost of their advertising. The point is that this may be due partly to the fact there are too many small loans companies operating in Canada. When you increase competition beyond a certain point it actually has a tendency to increase costs.

I was not certain of that point myself, but I was very much interested in the discussion on an insurance bill that took place before the banking committee the other day. Mr. MacGregor told us that if too many companies got into the field in competition with one another it actually increased the cost of advertising and increased the cost of insurance to the purchaser. If that is true of insurance I should imagine it would be true of the small loans business. If you get too many people in the field making small loans there is an increased amount of advertising necessary, and that unnecessarily increases the cost to the borrower.

[Mr. Quelch.]

I notice there has been quite a large increase in the small loans companies operating in Canada recently. In a report on small loans companies and moneylenders by the superintendent of insurance for 1954, we find this on page 6:

> In my report last year, I referred to the greatly increased interest being manifested in the small loans business in Canada by established lenders outside Canada, more particularly by those with head offices in the U.S.A. Several of these lenders entered the field during 1954 through provincially-incorporated subsidiary companies and the same trend has continued up to the date of this report.

It seems strange to me that if the net profits of these small loans companies are so small, it is claimed down around 2 per cent, that so many more companies should be set up. Two per cent is not a high rate of profit. I cannot imagine a profit of 2 per cent encouraging the setting up of additional small loans companies. The suggestion that some of these companies are operating at 2 per cent is fantastic, but I have seen that statement in some of their advertising.

You have only to pick up the report of the superintendent of insurance and turn to the pages of balance sheets to find that their profits have been very much greater than that. The amount of the reserves and the amount of capital reinvested in the company is shown. You have to take the amount of profit reinvested in the company in order to ascertain the true picture of these companies. I think the mere fact that we have so many companies flocking into this country shows they are making a pretty substantial profit.

Now, I am not satisfied that a rate of 1 per cent per month or approximately 13 per cent a year would put the small loans companies out of business. I believe they could reduce their costs in many ways. They could certainly reduce the cost of operation by cutting down on a lot of their advertising. We have all received in the mail recently what I would call a very expensive type of advertising. One needs only to walk along Sparks street and Bank street to realize that almost every other building is plastered with the signs of small loans companies. One would come to the conclusion that Ottawa must provide a very profitable source of income for small loans companies, because I have never seen as many small loans company offices in any town as apparently are operating in the city of Ottawa.

Then I imagine they could take a lower rate of interest on the profits they themselves have reinvested back in their companies, and they could take a lower rate of profit generally. I am satisfied that these three things alone would make it possible for them to operate on a rate of 1 per cent a month.

I believe the government should also approach the chartered banks for the purpose of trying to get them to take a greater responsibility in the field of personal loans. Apparently up to 1954, the Canadian Bank of Commerce was the only bank that had entered seriously into the field. No doubt when this bill is before the committee we shall be able to find out what action has been taken by other banks since the amendment to the Bank Act permitting chattel mortgages.

It seems to me that at the present time banks in this country are becoming altogether too prone to lean upon the government. Any time there is any risk involved they appear to want the government to guarantee them against loss. Of course any time the government guarantees them against loss, and pays part of that loss, it is subsidizing the banks. Surely the banks of Canada are in a sufficiently strong position to be able to stand on their own feet without everlastingly wanting the government to guarantee them.

In view of the great concessions the banks do get from the government of this country, I think as a service to the country they should be prepared to enter more and more into the personal loan field.

Then, of course, there is another class of people who have no credit or little realizable wealth. These people would not be considered credit worthy. They would not be able to borrow from the banks. It is very doubtful whether they would be able to borrow from any small loans company. Their only hope is to go to some welfare organization such as the Red Cross for help.

As time goes on the government will have to give consideration to setting up some kind of an institution to help the really down and out individual. It stands to reason that a person who is in a very difficult financial situation would probably have very little chance of borrowing from a bank. He would be forced to go to a small loans company—the amount of the loan could be small—and pay 2 per cent per month interest. He is the very last type of individual who can afford to pay 26 per cent interest a year. Those are the people who really need help.

I hope further consideration will be given the matter, to try to find ways and means of making credit available to those people at a low rate even if it means some sort of additional guarantee to the banks for making these loans.

Mr. A. H. Hollingworth (York Centre): Mr. Speaker, there is no legislation which I have welcomed more since the opening of this parliament than this legislation. In my opinion its general tenor indicates reform legislation at its best. It is an endeavour to legislate in the best interests of the average Canadian citizen.

I believe, Mr. Speaker, there is a prevailing opinion today throughout the country—and I think it is a sound one—that loan companies and finance companies have been making excessive profits at the expense of the average Canadian citizen. This bill is designed to correct that state of affairs. Even at the reduced rates it is my opinion that the loan companies can make a fair and reasonable profit. Hence sufficient money will still be available for those people who wish to borrow, and who are not able to meet the rather high standards of the chartered banks. Since they will still be able to borrow money, they will not be thrown into the waiting arms of the loan sharks.

Let us briefly consider how small loans are made available today. First of all we have the chartered banks; second, we have the credit unions; and third, the small loans companies. With regard to chartered banks, hon. members know that personal loans are available at the rate of 6 per cent. As the result of legislation passed in 1954, the banks are now able to take chattel mortgages as security. Whether or not this has appreciably increased the number of loans granted by the chartered banks is not as yet known. We should have that information fairly soon.

Of course, as the hon. member for Assiniboia has mentioned, the Canadian Bank of Commerce has gone into this field; but some of the other banks are reluctant to do so because they feel they cannot charge more than 6 per cent, and they cannot add those different services to the basic amount of the loan. In other words, Mr. Speaker, it is a matter of interest. If the banks could charge, say, 12 per cent for small loans I believe they would go into this field more readily. Of course that brings up the most difficult question which I think was considered a year or so ago by the banking and commerce committee. No decision has been reached.

Again, I suppose, the bank is more interested, on the present basis of 6 per cent, in lending money to finance companies, and they in turn lend it to the public.

With regard to the second form, namely credit unions, as the committee which investigated this whole problem in 1939 said, credit unions can remain effective only with homogeneity in social, religious and economic relation. That is to say, they are confined largely to special circumstances, although I admit they are prevalent in certain parts of this country, particularly the caisse populaires in the province of Quebec, where they are doing

an excellent job. I understand they usually charge 1 per cent a month. However, no credit unions pay income tax.

Finally we come to the Small Loans Act, the small loans companies and the money-lenders.

Mr. Argue: Six o'clock.

Mr. Hollingworth: In 1939 the commons banking and commerce committee recommended that the Small Loans Act be passed.

Mr. Speaker: Order. Since it is six o'clock I do now leave the chair.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, may I just have a moment? It may be that I will not be here at ten o'clock tonight nor perhaps tomorrow. Last night I announced the business of the house for the remainder of today and indicated that after this item and the Canadian Farm Loans Act we would go on with the Trans-Canada Highway Act, and I think we will confirm that. Tomorrow it is understood that we will have fisheries and then transport, and on Monday and Tuesday a supply motion.

I would hope that, unless something should occur in the meantime to change our plans, we would find it possible to arrange that in the short period of Wednesday afternoon we might complete the debate on the atomic energy committee and pass it by Wednesday night.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SMALL LOANS ACT

AMENDMENTS RESPECTING COSTS, LICENCES, REPAYMENT, ETC.

The house resumed consideration of the motion of Mr. Harris for the second reading of Bill No. 51, to amend the Small Loans Act.

Mr. Hollingworth: Mr. Speaker, at six o'clock I was saying that in 1939 the banking and commerce committee dealt with the Small Loans Act, and subsequently parliament passed that act. At the same time the Money-Lenders Act was in force. Actually it seems to be an anomaly because only four companies were subsequently incorporated under the Small Loans Act, including two of the largest small loans companies in this country, Household Finance Corporation of Canada and Personal Finance Company of Canada. Actually most of the small loans companies have been incorporated under the Money-Lenders Act. As far as I can find out the terms of the two acts are pretty much the same.

The rates of interest provided were 2 per cent per month as a maximum up to 15 months, and then 1 per cent per month subsequently. As I say, at present there are only four companies which were incorporated under the Small Loans Act, but 61 companies have been licensed under the Money-Lenders Act. The parliamentary assistant to the Minister of Finance told us this afternoon that the Money-Lenders Act is to be repealed. I think that is a rather good idea, because confusion is apt to result unless one reads the two acts together.

As hon. members are well aware, the terms provided by the bill before the house are 2 per cent per month for loans not exceeding $300; 1 per cent per month for loans exceeding $300 and not exceeding $1,000; and half of one per cent for loans exceeding $1,000. I should have mentioned that under the old act the ceiling for small loans was $500, but under the bill we are considering this evening the ceiling will be $1,500.

At the outset may I say that I am certainly not accusing the small loans companies of sharp practices. I think in general they have shown integrity in their dealings with the public, but with respect I do question their good taste and wisdom in their high-pressure advertising. Certainly one is made aware of their advertising. There was a song popular not so long ago that ended with the words, "I owe my soul to the company store". The first two or three times I heard that song I thought Tennessee Ernie was saying, "I owe my soul to the finance co."

There certainly are usurers who are willing to live off the avails of destitution, if I may use the colourful phrase used by the hon. member for Peace River (Mr. Low), during the debate last year in a speech which I enjoyed very much. Certainly I am not accusing the finance companies of this, nor indeed did the hon. member for Peace River; but I do submit that an attempt has been made on the part of some finance companies to entice the unwary, the unwise and the timid into their counting houses there to be despoiled of their financial independence.

Particularly, Household Finance Corporation have used the slick, glossy pap of the typical supercharged United States huckster, much to the distaste and annoyance of the average Canadian. The Household Finance Corporation blasts forth over the radio every morning in Ottawa the merits of their loans.

That is all well and good, but when one lives in Ottawa during the session and has to hear this every morning it does become rather annoying.

We are interested in the profits made by small loans companies, and for this information we go to the report of the superintendent of insurance for Canada dealing with small loans companies and moneylenders. I believe this was referred to by the hon. member for Assiniboia. I should like to refer to the report for the year ended December 31, 1954. This report is interesting for the information it provides, but it is interesting also because of several omissions which I should like to point out to the house.

For example, only those companies registered under the Small Loans Act or the Money-Lenders Act are referred to. In other words, if a company does not make any loans under $500 there is no record of it in this report. I found that there was a very interesting reason for this. I hear it stated over the radio that Household Finance Corporation makes loans from $50 to $1,000, but on perusing this book I found no reference to any loans over $500.

There is a section which deals with other small loans companies and moneylenders, which indicates the volume of loans made other than small loans. In other words, I find nothing under Household Finance Corporation for loans of more than $500. Upon looking into the matter further I find that there are two companies. There is the Household Finance Corporation of Canada which lends up to $500 and does business under the Small Loans Act, and there is Household Finance Company Limited which makes loans of over $500. Unfortunately there is no record of that company in this book.

As I say, we are interested in the profits made. I notice that for 1954 the profits of Household Finance Corporation of Canada operating under the Small Loans Act were $5,952,000, or practically a cool $6 million. It is true, as someone mentioned this afternoon, that out of that would have to come a considerable amount of income tax, and naturally they pay dividends to their shareholders. But I think we will all be ready to admit that the profits were considerable.

Now, if we may go to the other large small loans company, Personal Finance Company of Canada, we find that their profits amounted to $923,000. The interesting part about this is that the report deals with the profits of Personal Finance Company of Canada from loans of more than $500. Those profits are indicated as being $2,500,000, or two and a half times as much. Therefore if we project this result into the results of Household Finance Corporation, if we multiply their profits of $5,952,000 by 2·6, we come up with profits of about $16 million. I am not saying that Household Finance Corporation made that much money, but I do say it shows that this is a most lucrative business.

I think the government has done a wise thing, something which will be appreciated by Canadian people from coast to coast, in bringing this reform legislation before the house. In view of the profits indicated I do not think the finance companies are going to suffer if their interest rate is reduced to 1 per cent.

There is one other thing I should like the house to consider, but I suppose I would be out of order in discussing it. This has been brought to my attention by my constituents and other persons. I think the larger acceptance corporations or discount houses should be brought under this legislation. I do not suppose we can do that, but I think that is one of the next problems we will have to face.

In any case this bill is going before the banking and commerce committee, where it certainly will be studied exhaustively. One interesting point to consider is whether the ceiling should be raised to $2,500. Hon. members will recall the very able speech by the hon. member for Essex West (Mr. Brown), that genial member from southern Ontario, in which he made a very good case for an increase of the ceiling to $2,000. I took note also that in the very able presentation by the parliamentary assistant this afternoon he pointed out that in California the ceiling was raised to $5,000. That is something the committee can carefully study when the bill goes before it.

Again, should the rate be 1 per cent right across the board? I should think there are cogent reasons why that should be considered. Or, again, should the ceiling for the 2 per cent per month be reduced to $200? Once again, the committee will have to determine that.

At this stage I should think that we would need to have more evidence on these points, but I want to make it very clear that I am supporting the general principle of the bill. I am sure that after the committee studies this bill an act will ensue which will incorporate the best features, will provide justice for the Canadian citizen and, at the same time, will enable the finance corporations to enjoy a reasonable and fair return in their business. After all, they are legitimate business concerns in a free competitive society.

I take great pleasure, therefore, in congratulating the government, and particularly

the Minister of Finance, on their foresight in bringing in this bill and on their practicality, which at the same time is strongly tempered and imbued with social justice.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): I had not intended to speak on this subject until this afternoon, when I heard my old friend and colleague the hon. member for Assiniboia (Mr. Argue) make his remarks.

The subject we are discussing, of course, is charged with emotion. Every hon. member, I am sure, regardless of his party would like to make sure that the working people of Canada can borrow money at the lowest possible rates. Yet it seems to me that parliament must take great care that in adopting arbitrary interest ceilings it does not force these companies in the small loans business to take their capital elsewhere and invest it in some other field.

In the year 1954 some 800,000 Canadians borrowed money from small loans companies. Most Canadians from time to time get into financial difficulties. If such a Canadian happens to be an employer, usually he can go to the bank and use an overdraft. But for working people usually this is not possible. In such cases they invariably go to a small loans company and make a cash loan. I think real hardship will follow if parliament, either indirectly or inadvertently, makes it impossible for people in the working class and in the lower income groups to get capital from those companies.

I certainly approve of government regulation in this field. I think everything possible should be done by parliament to eliminate sharp practices. Everything possible should be done by parliament to make sure that excessive and unjust interest rates are not charged by these loan companies. But I also think we should not forget the economic facts of life.

Today in Canada there are thousands of places where any company can invest its funds. Therefore I say again, let us make certain that our legislation is not restrictive to the point where these companies take their cash out of the small loans field and invest it somewhere else. Let us be sure that we do not prevent people in the lower income groups from obtaining urgently needed credit.

To illustrate the danger of this, I should like to remind my hon. friend from Assiniboia and my other C.C.F. friends of an act which the Saskatchewan government passed some 11 years ago. It was called the Saskatchewan moratorium act. During the depression years we had a great many farm foreclosures by mortgage companies in our province, and many of these foreclosures were unjustified. So the C.C.F. government, in good faith and with good intentions, introduced legislation which in effect prevented the mortgage companies from foreclosing on the home quarter section. I supported the legislation, and I thought it was sound at the time.

Unfortunately it has not worked out that way. For those who had already borrowed money and did not need any more, it was wonderful. They did not have to worry, even if they could not make a payment. However, the contrary was true for those who needed money in the future. The mortgage companies, feeling that they had no longer security of investment in the province of Saskatchewan, moved out lock, stock and barrel. As a result, in our province today you simply cannot buy a farm on credit unless it is through the Canadian farm loan board, and those loans are few and far between. In my opinion that legislation, which as I say was introduced with every good intention, has had the effect of virtually ruining farm credit in Saskatchewan.

So I say tonight, let us as members of parliament benefit from this example and make sure that we do not achieve the same results with these small loans companies. I think there should be no illusions. These people must be allowed to make a reasonable profit if we expect them to remain in the field. It is up to the banking and commerce committee to go into this whole question, study it carefully, and then decide what is a legitimate and reasonable profit. Personally I have always contended that parliament should give greater encouragement to the banks to get into the small loans field. But if we want them to do this we are going to have to permit them to charge interest rates that are more in line with what we permit the small loans companies to charge.

I remember that several years ago Mr. N. J. McKinnon, general manager of the Canadian Bank of Commerce, appeared before the banking and commerce committee. He stated that at that time, under existing laws, it simply was not feasible for the banks to enter extensively into the small loans business. The interest rate the banks are able to charge today is 6 per cent. That works out on a monthly basis to about 10·46 per cent. Mr. McKinnon told the banking and commerce committee that if the banks could charge 1 per cent per month, he was reasonably certain they would go into the small loans business more extensively.

So I suggest, Mr. Speaker, before you rise, that this might be a point for the banking and commerce committee to investigate. I think if the banks were to enter this field the small

loans companies would be forced by competition to lower their rates, and then it might not be necessary to do so much by legislation.

I repeat, let us approach this whole problem, not emotionally but realistically and sensibly, in an endeavour to give all working people the lowest possible interest rates. But let us not wake up and find that we have low interest rates, but no money available for loans.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the hon. gentleman who has just taken his seat referred to the danger of capital being taken elsewhere, that is out of the lending field, if interest rates are made too low. I am glad he also coupled with that a desire to have all the facts placed before the committee, because in the report of the operations of small loans companies as of the end of December, 1954, there are some figures which show the position of some of these companies.

I shall not weary the house by going through the whole list, but I think this one will serve as an example, and I think it might allay the fears the hon. member may have as to the danger of the capital of this company going into another field.

Mr. Byrne: Apparently it will not be going into Saskatchewan.

Mr. Zaplitny: I have the report of Household Finance Corporation of Canada as of December 31, 1954. It is shown in their balance sheet that while they have an authorized capitalization of $5 million the actual capitalization is only $3,070,000. On that capitalization they have outstanding balances at this time of $55,495,730.52, and their total assets now stand at $57,783,971.94. Even more interesting and significant is their revenue account. Bearing in mind that their total paid up capitalization is only $3,070,000, we find that their income earned on loans for that year came to $12,758,246.95. Added to that we have recovery of bad debts, doubtful accounts and disposition of some office property, which gives them a gross income for the year of $12,812,433.21.

Further down their expenditures are shown, and taking them off we find that their gross profit for that year came to $5,952,743.75 on a total capitalization of $3,070,000.

Mr. Benidickson: Before income tax.

Mr. Zaplitny: Yes, before income tax. I doubt if a company that can make a gross profit of almost $6 million on a total capitalization of $3 million are going to feel that they will want to take their capital elsewhere to a different field. The parliamentary assistant to the minister has interjected, "before income tax." In order to satisfy his mind on that point, let us go to the dividend account. Of course dividends are not paid until taxes are paid. We go down further and find that dividends to shareholders in that year came to $3,048,510, and on a capitalization of $3,070,000 that is just a wee bit short of 100 per cent, almost dollar for dollar in the form of dividends.

I can assure the hon. member for Moose Jaw-Lake Centre that any commercial company that can pay its shareholders every year a dollar in dividends for every dollar they have invested is not going to take its capital elsewhere and look for a better investment unless, of course, they are exceedingly greedy. I would not want to accuse even this company of being in that category.

I doubt that the bringing down of interest rates generally as visualized by this legislation or as advocated by the members of the C.C.F. group over the years constitutes any danger so far as availability of capital is concerned for the small loans business. Not only that, but we find in looking at the statistics that the number of small loans companies is increasing very rapidly. The amounts they spend on advertising their business come to a tremendous figure. Such companies do not increase in number, nor do they put on a high pressure advertising campaign, if they are in a field which is not profitable. The fact is that they do spend huge sums of money on advertising, and while I would not say their advertising is dishonest it is not very far from being dishonest and is certainly misleading in the way it is put. For that reason I do not share the fear expressed by my hon. friend that this type of legislation, or the type of legislation envisioned by the hon. member for Assiniboia, would constitute a danger to the availability of this kind of money.

I want to refer also to the remarks of the hon. member for York Centre (Mr. Hollingworth). If I heard him correctly this afternoon, and I speak now subject to correction because it was a little difficult to hear at that time, he said that credit unions do not pay interest. If that is what he said, and that is the way I understood him, of course I will have to say that he is quite mistaken. Credit unions do pay interest, and they do a great deal more than that as far as the people they do business with are concerned. They provide life insurance at no extra cost to those who make use of their facilities. They also provide loan insurance, so that if the person who borrows money from the credit union is no able to repay the loan because of death, disability or some other reason the loan is written off as provided in the bylaws of the

credit union. In the case of death the life insurance is, of course, payable to the beneficiary.

Therefore the credit unions are providing a service which is not comparable at all to that provided by the private small loans companies. But the chief difference between the operations of the credit unions and those of the small loans companies is the fact that the credit union is a non-profit organization. That in itself is a very important difference which sometimes is not recognized by the government.

Not so many years ago we had occasion, when discussing an income tax amendment, to try to impress upon the government the fact that co-operative institutions generally and credit unions in particular are non-profit organizations and therefore should not be treated in the same way as private companies for income tax purposes. We were not altogether successful, although we did persuade them to some extent.

The reason I bring that into the discussion at this time is that the hon. member who has just taken his seat referred to the desirability of the government providing encouragement to the banking system to get into the small loans field. I should think it would be far more desirable all around that if encouragement at the government level is to be made available, it should be made available first of all to the credit unions. Because of the nature of the credit union, which is a non-profit organization, it does the most for the community in which it operates, not only for the people who invest their money directly in the credit union or make use of its lending facilities but also for the community generally, because every dollar that goes into the credit union remains in the community. None of that money goes to the headquarters of a huge company outside the province or sometimes outside the country, as is the case with the small loans companies. Every dollar circulates within the community.

They charge an interest rate of about 1 per cent per month, and when they have completed their fiscal year they sit down and draw up their accounts. If they find that the amount of interest money is more than is required for their general operations, they then divide the surplus in two ways, either in paying a certain amount in interest on the money that investors have placed in their credit union for the purpose of lending, or by reducing the interest rate to those who have borrowed money, or both. Therefore when they have a surplus at the end of the year the result is that the interest rate is much less than 1 per cent per month, because a rebate is made to the borrower in so far as it is possible to do so in order to give him the best possible break.

But the important thing to remember is that the money invested in the credit union, money that is circulating in the community, is left there for the purpose of building up the community. None of that money is siphoned off in the form of profit to go outside the community, outside the province or outside the country. Therefore if the government is inclined to give encouragement to lending institutions as a principle, I respectfully suggest that the credit unions are the best possible vehicle through which they can provide that kind of encouragement and do the most good in the community and in the nation at large.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

CANADIAN FARM LOAN ACT

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

Right Hon. J. G. Gardiner (for the Minister of Finance) moved the second reading of Bill No. 84, to amend the Canadian Farm Loan Act.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, this is an amendment to a bill that I think over the years has proven very much worth while to the farming community. Its original purpose was not especially to lend money in great volume to farmers, but it was to be a sort of pace-setter in so far as interest rates were concerned, because interest rates were chiefly in the eyes of the legislators of 1927 and 1929 when this original bill passed the House of Commons. Since that time, however, some $100 million has been lent to farmers under the terms of the farm loan act. I think about 43,000 loans have been made. In the last year of record, namely the year ending March 31, 1955, the new lending amounted to $8,200,000.

In addition to this worth-while legislation providing farm credit, hon. members are aware that since the war we have also had in operation a form of government guarantee of loans made by banks to the farmers under the provisions of the Farm Improvement Loans Act. The difference between the two acts could probably be roughly described as long-term credit with respect to the Canadian Farm Loan Act and intermediate credit with respect to the Farm Improvement Loans Act. Originally the farm loan act board was accompanied by a provision for supervising loans to fishermen. Hon. members will well

remember that last year the house passed a bill which could be described as parallel to the Farm Improvement Loans Act, namely the Fisheries Improvement Loans Act. In consequence of that legislation the farm loan board will no longer be required to supervise loans to fishermen.

The bill before us tonight in summary could be said to simplify the capital structure of the farm loan board. It will simplify its capitalization, and it will also simplify the system with respect to reserves. It will broaden the board's activities by increasing the maximum amount of loans that can be provided under the act. It will simplify and improve the lending procedure by eliminating the short-term second and chattel mortgage loans, and it will dispose of the capital of the board acquired in connection with its operations under the Canadian Fisherman's Loan Act which I have described.

As the act stands at the present time, the capital of the board consists of $5 million which was originally advanced at the inception of the board, together with issued shares of stock to the amount of $2,240,301. The $5 million initial capital advance was made during the early years when the board was becoming established, and for three years it did not bear interest. But since that time it has borne interest paid by the board to the government in a manner similar to that in respect of any other borrowings of the board from the government. It is considered desirable to convert this original capital into an ordinary loan. The bill will provide for the repayment to the government of the original advance, and it is intended to refinance this repayment through an ordinary loan by the government to the board at current rates of interest.

The bill will further provide for the cancellation of the $2,240,301 issued capital stock of the par value of $1 per share, and in substitution the board will be capitalized by 30,000 shares of stock of the par value of $100 a share, the total value of which will be $3 million. With respect to reserves, under the existing statute the board has been required to set aside at least 10 per cent of its net annual earnings in a special reserve fund. This reserve is known as the "statutory reserve" and at the present time it amounts to $878,000. But this is not a reserve in the ordinary sense of the word because it has not been available, under the statute, for the payment of losses. In addition to this statutory reserve the board, under long practice, has had a special reserve built up on the basis of one-half of one per cent of its lending. This reserve now amounts to $2,349,258. In substitution for these two reserves the bill will provide for the establishment of a single reserve account to which all losses may be charged, and it is stipulated in the bill that the amount of the reserve will never exceed the amount of capital which, as I have indicated, will be $3 million.

Prior to 1952 the board could raise money only by the issue and sale of bonds to the minister of finance. This was an awkward and cumbersome method of financing, and in 1952 parliament made provision for simple borrowing by the board from the minister of finance without the necessity of issuing bonds. It is now proposed to go a step further and drop the bond issuing provisions entirely, and to convert all the board's borrowings into simple straight loans from the minister of finance. The original purpose of the bond-issuing power was to enable the board to borrow money directly from the public, but this was never done.

As part of the simplification of the capital position of the board, the bill will also provide for disposing of the capital and assets of the board under the Canadian Fisherman's Loan Act. Lending under that act was discontinued, as I have indicated, following the coming into force of the Fisheries Improvement Loans Act. The amounts involved are not substantial but are somewhat complicated from the point of view of the balance sheet and the annual report which is submitted to members of parliament.

The farm loan board received a capital advance of $29,000, and in addition the government holds 161 shares of stock of the board of the par value of $1 each, issued respecting loans to fishermen. It is proposed that the board shall repay the capital advance and retire the stock less the operating deficit which has accrued under this act. This deficit amounts to $5,203, and will be absorbed by the government. There are still a few outstanding fishermen's loans, and the bill will provide that the proceeds will be paid into the consolidated revenue fund as and when those loans are repaid by the fishermen. When completed this will wind up the Canadian Fisherman's Loan Act operation.

So far as the lending limits are concerned —and I think this is the most important feature of the present bill and the procedure under it—the board can now lend $10,000 on first mortgages plus $2,000 on second mortgages for a shorter term. Under the present legislation the board finds it mandatory, in connection with second mortgages, to take chattel security. The bill that is now before us will eliminate short-term second mortgage lending. I have indicated to the house we have very important and worth-while companion legislation for intermediate credit in

the Farm Improvement Loans Act. This bill will eliminate this type of second mortgage for short periods, and the chattel mortgage features of it, and it will increase the maximum amount of loan under the act under first mortgage procedure to $15,000.

The bill will change also the percentage ratio of loan value. Prior to the amendment of the act in 1952 the board was not able to lend beyond 50 per cent of the appraised value. In 1952 this was increased to 60 per cent. It is now proposed to further increase the ratio to 65 per cent. It is also proposed to drop the provision for setting up an advisory board. I think the hon. member for Greenwood (Mr. Macdonnell) will welcome this statement, because in 1952 when this provision was presented he felt that it would not be a useful part of the act.

Mr. W. G. Dinsdale (Brandon-Souris): I have been interested, Mr. Speaker, in the remarks of the parliamentary assistant concerning this important piece of legislation. I say it is important because the provision of credit to our farm population is a subject that has occupied the attention of parliament for a good many years. It was not until 1927, however, that this house took any definite action to deal with the specialized need of our farm population for a special type of credit. The original passing of the farm loan act came, I believe, as the result of pressure from the Progressive group which at that time made up a fair percentage of the representation in this house.

The general changes that have been outlined by the parliamentary assistant move in the right direction. Section 6 deals with the major changes so far as the terms of the farm loan act are concerned by increasing the amount of the first mortgage to $15,000 and also providing for the granting of a loan at 65 per cent of the actual value of the land upon which the loan is made. That is moving in the right direction. During world war II the subject of farm credit receded somewhat into the background, and also during the immediate period following world war II when farm income was unusually buoyant. It is just in the last three or four years that organized farm opinion has begun to pay more attention to this problem, and the amendments that we have before us I am sure have come as a result of the demands from farm organizations for more generous credit provisions in the act.

At the outset of my remarks I said that the farm economy requires certain special features by way of credit provisions. In the early years the credit needs of the farmers were largely taken care of by private loan companies which operated alone in this area up until world war I. This was particularly true during the development of the wheat economy on the prairies. However, in the boom period of world war I credit facilities became somewhat overextended, with the result that a huge indebtedness was incurred by prairie farmers. This indebtedness was still outstanding at the onset of the depression, and necessitated special adjustment legislation in order to assist the farmers in getting out from under their burden.

The first entrance of the government into this loan field came in the province of Manitoba in 1917, when the provincial government passed the Manitoba farm mortgage act. I should say that the provinces of Saskatchewan and Alberta followed suit very soon afterward. Unfortunately, because of inefficient management, because of the unpredictable nature of grain growing on the prairies, the wild price fluctuations and so forth, provincial activities in providing credit did not continue to function successfully beyond 1923. It was then that the agitation from the Progressives, the farm representatives, began. They were thinking in terms of the provision by the federal government of more extensive credit facilities.

Now, while these amendments are a step in the right direction, I think it is fair to state that they do not go as far as the special capital needs of our agricultural economy require. As a result of the unhappy experience of private lenders in this particular type of lending operation, the supply of capital from that source has been drying up. This means that more and more the farmer—I am speaking particularly from the standpoint of the western farmer, but I think it would apply generally—is dependent upon the sources of credit such as are provided under the farm loan act.

The parliamentary assistant indicated that this act was originally thought of as a pace-setter, encouraging lower interest rates and generally setting the pattern for the specialized needs of farm credit. However, it seems to me, Mr. Speaker, the activities of the farm loan board have today gone beyond the demands of pace-setting, and the board is in the position, because of the changing circumstances, where it is one of the major agencies for providing this kind of service to the farm population.

I say the farmer has special needs for credit. He has need for short-term credit. This is taken care of to a large extent by the banks, and by self-financing through friends. According to the latest figures I have seen on this matter, most of the short-term

credit used by the farmers comes from self-financing sources. Also, of course, the credit union method of providing short-term emergency credit has become increasingly popular among our farm population. The real problem arises in connection with long-term capital provision. This was the basic function that the original farm loan board was established to perform.

Agriculture needs long-term credit more than any other type of business activity. The return on the farmer's investment is comparatively small and the recovery of the investment of necessity, because of this small return, occupies a long period of time. In most cases, particularly in reference to financing in the grain economy, it requires long-term financing up to a period of 40 years. Under the Canadian Farm Loan Act long-term financing is provided for up to 25 years. Therefore there is a real deficiency in this regard in the act as it stands at the moment.

Another special problem of the farm economy in regard to credit is the necessity of providing capital at the lowest possible interest rate. When I say "lowest possible interest rate" I do not wish to imply subsidization of this type of financial activity. I believe, of course, that the loan should pay for itself; that the necessary administrative costs, and so forth, should be provided by the interest rate. Because exceptionally long-term financing is required, there is a necessity to keep the interest rate as low as possible. This the farm loan board has endeavoured to do. When it was originally established it did fix the initial interest rate considerably below the going rate of funds available from other sources, particularly from private sources.

Another principle that has to be kept in mind in regard to farm credit is the need for flexible repayment. Again, this uncertainty of income, this fluctuating income, which certainly we have had brought home to us quite forcibly during this present session, places the farmer in a position where he never knows from one year to another whether he is going to be able to meet his current liabilities. If he is not in a position where he can feel fairly secure concerning his credit operations, then of course he shows a great deal of reluctance to finance on this basis.

The farmer, because of his unfortunate experiences in the past during successive boom and bust periods, is very suspicious of credit; yet, because he is operating a separate family farm unit, he requires a comparatively high percentage of capitalization. If he is going to operate successfully he must use considerable amounts of capital. These matters should all be kept in mind in reference to the provisions of this act now before us.

As I said at the beginning, the amendments are a step in the right direction, but there are still grounds for maintaining that the act has not moved as far as necessary, particularly when we consider the tremendous changes that have taken place in the farm economy since the act was originally placed on the statute books.

There are two more points I would like to make before I conclude my contribution to this discussion, Mr. Speaker. There are two types of credit need that have not been met in any shape or form by any type of capital operation in Canada up to the present time. The first is the special need that arises where the farmer finds himself operating an uneconomic unit. The main reason that his farm is regarded as an uneconomic unit, or is undercapitalized if you prefer that term, is because it is not large enough and is not fertile enough to bring sufficient return to provide a satisfactory income and living. Obviously, if he is going to change his farming operation into an economic one he has to obtain credit from some source in order to improve his position. Here is just where he finds himself up against a brick wall, because there is no possible source of credit. Private lenders, of course, turn him down flat; also, he is unable to get any assistance from either the Canadian Farm Loan Act or the Farm Improvement Loans Act.

I have come up against specific examples of this sort of problem in my own area. A young farmer, for example, finds himself occupying a large expanse of territory which is semi-arid, submarginal and suitable mostly for grazing purposes. He is not in a position to buy the necessary cattle to turn his farming operation into an economic one. He is turned down by the Farm Improvement Loans Act and also by the farm loan board on the basis of the 60 per cent value stipulation, which, in the present amendment, has been changed to 65 per cent. That is a problem that must be faced in meeting the needs of the farm economy. Whether it can be done through the existing acts or whether it requires a broader approach to the problem I am not in a position to say, but certainly it requires some further study.

Then in this day and age, when farming has become a commercial operation, there is a special need of assistance for young farmers who are attempting to get started in farming operations. There is limited assistance under the Veterans Land Act so far as veterans are concerned and young farmers who can come under that act are assisted most generously

in getting established. However, outside of that particular program there is no adequate provision for credit assistance for the younger farmer wishing to get started.

I have some figures which indicate how the financial situation has changed in the last half century. In 1882 when western Canada was first opened up to homesteading a homesteader could get into business with an investment of some $660, and within five years he could have parlayed that original investment into something like $3,320. Today in order for a young farmer to be successfully launched the following minimum amounts are required:

Land	$13,500
Buildings	8,956
Machinery and equipment	8,469
Livestock	1,580
Cash for first year's operation	2,099
	$34,604

As the parliamentary assistant has indicated, provision for credit of this kind is available under the act, but it is limited to a maximum of $15,000. This is a problem which has been discussed in this house before, as well as in the legislatures, particularly of the provinces of western Canada. I believe two provinces have acted to provide some assistance in this regard, Ontario being one and Quebec the other. Up to the present time the western provinces have not gone beyond the discussion stage.

It is obvious that today there is a trend away from the farms. If we are going to encourage young Canadians to establish family farm units there will have to be provision for much more generous credit than is available under the act as it stands. In recent years there has been an increase in the number of tenant farmers, and no doubt this arises from the difficulty the farmer faces in getting started today because of the almost fantastic rise in the cost of farm operations. No doubt it also accounts for the rapid exodus from the farms to more lucrative occupations in the cities and urban areas.

Perhaps what we need is not an amendment to the act but a separate act which could be described as the farmers' establishment loan act. Or as an alternative the farm loan act could have a special division to be described as the farmers' establishment loan division. However, on the whole I think this bill is a step in the right direction, and I trust that any remarks I have made as to improvements that are required will be kept in mind when the amended act goes into effect.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, like the hon. member for Brandon-Souris (Mr. Dinsdale) I welcome the fact that the government has recognized the problem of agricultural credit, but I am disappointed that it is moving to resolve that problem at such a snail's pace. The problem of agricultural credit is particularly serious in Canada at the present time when agriculture is receiving such a small share of the national income, when we have a period such as last year when agriculture received only 6·8 per cent of the national income. This points up the necessity for the establishment of an over-all agricultural credit policy to assist farmers in increasing their efficiency in order to offset the rising costs of production.

Agricultural credit is a serious problem in Canada at this time because of the transition which is taking place in many of our areas. In western Canada we have experienced a move toward larger farms, and we notice that the size of the farm is increased according to the efficiency of the equipment. That same move is taking place in Ontario, Quebec and the maritimes, indeed all across Canada. The size of the farm is co-ordinated with the efficiency of the farm machines which are being developed.

It is particularly important that we have a sound over-all agricultural credit policy to provide an opportunity to those of succeeding generations, who are desirous of taking up the occupation of farming, to take over the farms which their fathers have established on a sound and businesslike basis. As the hon. member for Brandon-Souris pointed out, in most instances the cost of becoming established is so prohibitive that unless assistance is provided by the father or by some magnanimous credit agency the young farmer is unable to become established. In many cases land which would become available as a family farm unit is absorbed by some other farm operator in the district who does not require it for the sake of efficiency but merely because he has a habit of acquiring more land.

We require an agricultural credit policy which will provide short-term, interim and long-term credit arrangements. As the parliamentary assistant pointed out, the Farm Improvement Loans Act is performing a most useful function in providing interim credit to farmers for the purchase of farm machinery, livestock and so on to ensure the maximum efficiency of their farms. I do not think we can say that the Canadian farm loan board has been achieving that same efficiency as a long-term credit organization.

The bill which is presently being discussed increases the percentage of the appraised value upon which a first mortgage can be granted. The parliamentary assistant has pointed out that this percentage is being increased from 60 to 65. At the same time the

maximum loan for a first and second mortgage is being increased from $12,000 to $15,000. I had hoped at the time the resolution was introduced that the bill would include more than it has included, because it is necessary for this long-term credit policy to provide legislation that will achieve the function of establishing farmers on a sound basis in the agricultural industry of our economy.

The present Canadian Farm Loan Act has taken a very niggardly approach to giving credit to farmers for the avowed purpose of increasing the efficiency of the farm. Indeed, the total loans made have never approached the limit set for the board. The highest amount of outstanding Canadian farm loan board loans has been $30 million, as compared with an allowable $90 million. In 1954 this loan amount stood at $25·3 million, which indicates that the legislation does not encourage farmers to take advantage of this credit because of various defects in the Canadian Farm Loan Act.

One of the reasons would be, I think, the small margin upon which the board has to operate. Because of this small margin there is a very strong tendency to avoid making loans to high risk borrowers. In other words, if the farmer is in a hazardous position, if his farming operation does not appear to be an economic unit, the farm loan board is very reluctant to make him a loan so he can increase the efficiency of his unit.

I think another feature is the inadequate field staff with which the Canadian farm loan board has to operate. This is another indication of the operation of the Canadian farm loan board in trying to keep down expenses, whereas in effect it results in reductions in the loans that are actually made. There is an extensive delay in making appraisals. Because of the time element involved, there are many farmers that have not had an opportunity to purchase land, simply as a result of this delay.

I think the size of the loan as it stood before this amendment, $12,000, and the present $15,000, is still far too small. It is a small part of the actual purchase price for most farms. In addition to that, the board evaluations have in most instances been a half or less of market prices. The board has been very conservative in its appraisals, and has not given any recognition to the increase in land values that has taken place over the past number of years. The very fact that the percentage of the appraised value has been raised from 60 to 65 per cent is an indication of the fact that the appraised values have been far too low.

Another reason there have not been more loans made under the act would be the fact that for a second mortgage a chattel mortgage is required on the livestock and assets of the farmer. This, in effect, ties up all the farmer's assets and puts him in an impossible position to get any further credit from any source whatsoever. Then in addition—

Mr. Benidickson: The chattel mortgage will not be mandatory under this bill.

Mr. Johnson (Kindersley): I thought that was what the minister was pointing out. I am not too good at reading bills but I thought that was so, and I am pleased that the parliamentary assistant has drawn that to my attention. As the hon. member for Brandon-Souris pointed out, the terms of repayment under the Canadian Farm Loan Act are altogether too rigid. The fact that the repayment must be made in a period of 25 years by annual payments, with of course the option to prepay, does not take into consideration the weather cycles that periodically confront western Canada and, indeed, the whole of Canada. We need to have a flexible repayment policy that is geared to the average returns from the farm. By that I mean that, if a farmer has a good year, he should be expected to pay more to retire his debt. On the other hand, if he has a crop failure consideration should be given to that, and he should not be expected to pay any significant amount in that year.

The Canadian Federation of Agriculture is certainly indebted to Mr. J. C. Brodrick, of St. Catharines, Ontario, for the investigation he has made into the need for agricultural credit in Canada. The house is doubtless aware of the recommendations made by the federation of agriculture pointing out the necessity for lengthening the period of repayment of the loans, increasing the maximum to $20,000, and changing the maximum assessment percentage to 80 per cent of loans up to $8,000, with a graduated reduction on the balance up to $20,000. The very fact that the Canadian Federation of Agriculture has had a discussion on this and has brought forth a comprehensive resolution on the necessity for an agricultural credit policy would certainly highlight the need for the establishment of an over-all credit policy for Canada.

I would suggest that we have a very good pattern to follow in establishing a long-term agricultural credit policy. I am one of those who are operating under the Veterans Land Act, and I must say that I have been most satisfied with the operation of that act. It takes into consideration the individual capacity of the settler and, through guidance and through a flexible repayment policy at a very low rate of interest, gives him every opportunity to establish himself.

I should like to see the government go one step further and study the policy which has been in effect for some time in the United States. I am thinking of the farmers' home administration, which was set up in 1939 and modified in 1946. The administration receives its funds by annual appropriation from the government. The loans are made to those who have a good chance of succeeding if given assistance. The attitude is taken that the most important asset of the farm is the farmer, and if he is willing to work and has the ability and the guidance, there is every possible chance that he will succeed.

Loans are made on 100 per cent of the appraised value of a farm. They do not believe in going half way. They will give a farmer assistance on the basis of an economic unit and will fix up the farm home. Indeed, it is one of the provisos of the farmers' home administration that the farm must be established as an economic unit and one fit to be inhabited. In fact there was one instance in the United States where the farmers' home administration took over a farm to set up a bankrupt individual and get him back on his feet. They of course insisted that he build a new, modern home to house his wife and children, and of course funds were supplied for that purpose. The interesting aspect there is that the house he had been occupying had to be improved in order to be fit to house hogs.

They believe in going at things in a reasonable fashion so the farmer has every possible chance to succeed. They have a flexible repayment policy which, as I indicated, should be incorporated in this legislation so that if the farmer has the finances to repay the loan in any particular year he would be encouraged to do so.

He should also be given all possible assistance through agricultural research and by way of receiving the advice of officials having to do with the administration of the act so that he may be an efficient operator. You can see, Mr. Speaker, that there is a big field open with respect to this whole subject of agricultural credit. Many improvements can be made and are necessary in short-term, intermediate-term and long-term credit; and I suggest to the parliamentary assistant that the best way for this to be brought about is to refer the bill to the standing committee on agriculture for thorough study. It should be referred to the committee so those interested farm organizations such as the Canadian Federation of Agriculture who have discussed this matter, may have the opportunity to present their views in order that the bill may be revised in such a way as to provide a dynamic source of agricultural credit which is so needed in Canada today.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, in rising to take part in the debate on the bill to amend the Canadian Farm Loan Act I do so with mixed feelings. We were very pleased in reading the terms of the bill to notice that some provision has been made for a certain amount of relaxation of the limitations which have been in previous bills of this type and which in our opinion have more or less fettered the operation of the legislation as a whole. On the other hand, in studying the bill we were somewhat disappointed because of the fact that the changes do not go quite far enough.

In studying the legislation I have noticed that throughout the years there have been constant revisions, which in my opinion have all been good, and the proposed revisions this year are also good to the extent they go. On the other hand, they just do not go far enough.

Mr. Benidickson: Four years ago the loan ceiling was only $5,000.

Mr. Smith (Battle River-Camrose): Just one minute; I am going to bring that out. I noticed that a few years ago the ceiling was $5,000. It was increased to $10,000 and now it is anticipated that the maximum ceiling will be $15,000. I have mentioned that this is good but not good enough. I also note that throughout the years there have been changes in the percentage of money lent on the appraised valuation of the property concerned.

I notice that the amount has been increased from 50 per cent to 60 per cent and now to 65 per cent. We are prepared to give credit where credit is due, Mr. Speaker, but we will give just as much credit as is due and no more. We do not feel that the legislation is perfect in any way yet, and for this reason we should like to see further amendments.

I am particularly interested in the problem of the young man who wishes to take up farming. Some years ago a man could go out west, take up a homestead for $10, buy a team of horses, a sulky plow, a hayrack and so on for a few more hundred dollars and become established. That day is long past, and as we go down through the years we find that it has become ever more costly for a man to establish himself upon a farm. In fact in my part of the province of Alberta it would cost a minimum of $20,000 today for a young man to become established, and that not on the best grade of land in that part of the province but on average land.

That is a lot of money for a young man to have to pay to become established as a farmer.

We must remember that after he has paid $20,000 for the land he has to buy a full line of machinery. If he is engaged in mixed farming he has to go into cattle and so on. This is a costly investment, and for that reason I wish to submit, with all due respect to what has been done in the past, that a ceiling of $15,000 is far too low. I have here a copy of an application that one of my constituents submitted to the Canadian farm loan board. He was trying to borrow $10,000. It so happened that last summer he visited the branch office and met the man in charge at this particular point. He explained his case and was told that he did not have sufficient security for the board to grant him a loan of $10,000. One of the reasons advanced, of course, was that he did not have enough cultivated acreage.

I am thinking in terms of a farm of five quarter-sections of land. On these five quarter sections there were, according to this man's statement, 460 acres under cultivation. At that time the man had 50 head of cattle. Those of us who are acquainted with farming in the west will realize that it takes a goodly amount of pasture to feed the cattle through the summer and to have feed for them throughout the winter. He not only had 50 head of cattle but had 50 head of hogs; he was in the hog business as well. He had a full line of machinery, and an approximate estimate of the net value of the property he owned at that time would be $27,500. Nevertheless he was refused.

Mr. Benidickson: Was that the valuation of the appraiser?

Mr. Smith (Battle River-Camrose): Just a minute; if you give me time I will get to you. He was refused a loan by the manager of the particular branch. They did not send out an appraiser. He had $27,500 worth of property, requested a loan of $10,000, and an appraiser has not been there yet. Just the other day I advised this young man to submit a further application, because I hoped that the terms of the new act would make it possible for him to borrow the $10,000 he requested.

The matter of appraising has been mentioned. I have been given to understand by people who have attempted to deal with the farm loan board branch that the appraisers of this particular branch are the toughest appraisers to be found in the province of Alberta. Let us keep that in mind. What is the purpose of the legislation about which we are talking? Its purpose is to make loans to farmers. As I have mentioned, I am particularly concerned about having young farmers established on the land. Here was a young man who was prepared to take over his father's farm. He could not do so because of the fact that the farm loan board was not prepared to lend him a total of $10,000 on property that, according to a fair assessment, was worth $27,500.

In going through the history of this particular board it is interesting to find some of the things that have been said about it by people who have studied its operations throughout the years. I am quoting now from a statement of policy submitted by the Canadian Federation of Agriculture on January 26, 1956. They have this to say about the present Canadian farm loan board:

> The farm loan board provides only a relatively small proportion of the mortgage credit in this country—perhaps 15 per cent of the total.

This is interesting, Mr. Speaker, in view of the remarks made by my good friend the hon. member for Brandon-Souris.

> Its lending policies are conservative, and its own financial policies are also very conservative.

I do not know just what the policies of the present Progressive Conservative party happen to be, but I know that there is something wrong with the present policies of the Canadian farm loan board. Perhaps there is also something wrong with those of the party I have just mentioned. The statement continues:

> In a recent report the Auditor General noted that the farm loan board is providing for reserves substantially in excess of the requirements of the act under which it operates, and that nothing in the accounts pointed to the necessity for such reserves.

I submit, Mr. Speaker, that these reserves have been built up as a result of the fact that loans were not granted unless the farm loan board had more than gilt-edged security behind them.

> Because of its relatively small volume of lending, its costs per loan are high. If the board were to discontinue setting aside its special provision for losses above the legal requirements the interest rate could be reduced by one-half of one per cent. If further, its present low volume of lending (less than $8 million in 1953-54) could be doubled or better, lowered costs would, no doubt, compensate for a further one-half of one per cent reduction in the interest rate.

The reserves have already been mentioned and I will not deal with that matter. I can see no reason in the world why greater use should not be made of this particular act. This afternoon we listened with great interest to a description of the advertising policies used by small loans companies throughout Canada. They are highly successful. I think that all the farmers of the west are

asking is that the farm loan board, through its directors, branch managers and so on, give the farmers of the west an even break—no more—in securing legitimate loans. I wish to point out again, Mr. Speaker, that we welcome the relaxation that is being given to us in this particular bill, but in committee we shall likely ask that further relaxation or loosening up be given. We are not entirely satisfied by any means.

I have already mentioned the conservative policies of the board. It seems to me that this particular board must take its guidance from the parliament of Canada and, through the parliament of Canada, from the government and so on. In other words what it means is this. The present government of Canada has been exercising a conservative influence upon the Canadian farm loan board. I did not expect that influence from the present government.

I have also mentioned the fact that on the part of the officials of the Canadian farm loan board little or no attempt is made to sell the product they have; and the product they have is the authority to make loans available to the farmers and the fishermen of Canada when they are necessary. I would also mention the cumbersome type of application form used by the present Canadian farm loan board. I submit, Mr. Speaker, that there is only one other form, to my knowledge, that is any more complicated than this one, and it is the form the farmer must fill out when he files his income tax. I believe that the man who drafted this form must also have drafted its sister form, the farmer's income tax form. I believe it would take an exceptionally good lawyer to satisfy the directors of the Canadian farm loan board that these questions were answered properly.

Then there is the matter of appraisement. Just what is wrong with the present system of appraisement? In the particular case I have mentioned no appraisal was made, of course; there was just an offhand statement, "No, you don't get it". There was no attempt to find out whether or not the statements which this young man submitted were correct. When a man drives in from the country to the city and makes a personal application for a loan, surely the least we should expect from the farm loan board is a survey or investigation, through the municipal officials or some other body, to find out as a preliminary whether or not the figures submitted by this particular farmer were fair, honest and so on.

Mr. Benidickson: Will the hon. member give me, either now or privately, the name of this applicant?

[Mr. Smith (Battle River-Camrose).]

Mr. Smith (Battle River-Camrose): Certainly. I have already written to the office to which I am referring for a copy of the correspondence in this connection. I wrote about 10 days ago. If I do not get it I plan on taking the matter up with you in any case. The information will be available.

Mr. Argue: Let us hope you get results.

Mr. Smith (Battle River-Camrose): I hope so as well. As to the method of appraisal, may I say that we have all kinds of land inspectors and assessors in the province in which I live. Surely there is no reason in the world why an appraisal made, say, by the municipal assessors should not be accepted. In the province of Alberta we are headed for and hope some day to have a uniform system of assessment throughout the whole province, an assessment that is fair. Surely there should not be such a great spread between the assessed value of land as given by the municipal inspectors on a uniform basis and the appraisal given by the farm loan board officials at the present time.

I was much interested in the remarks made by the hon. member for Moose Jaw-Lake Centre a few moments ago when he said that the loans made under the farm loan board were few and far between. I think perhaps he was talking in terms of the province of Saskatchewan. I can also say that, to my knowledge, the loans made in the province of Alberta are few and far between. I am given to understand, Mr. Speaker, that there are certain areas in the province of Alberta which we cannot say have been blacklisted but in which we do say it is practically impossible for the farmers to secure a loan from this particular board.

An hon. Member: They are greylisted.

Mr. Smith (Battle River-Camrose): They are not greylisted nor blacklisted but just listed. They just do not get loans. Why? I submit that in the committee stage some of the questions I have asked should be answered.

In closing, Mr. Speaker, I repeat that we like to see a step in the right direction. We appreciate it. But we would far more greatly appreciate a bigger step in this direction which would result eventually in establishing young men on the farms of western Canada.

Mr. G. T. Purdy (Colchester-Hants): Mr. Speaker, in rising to say a few words in this debate I should first like to congratulate the parliamentary assistant to the Minister of Finance on the clear and concise report he gave with respect to the amendment to this act. Since his presentation I have listened with interest to the remarks made by the

hon. member for Brandon-Souris the hon. member for Kindersley and the hon. member for Battle River-Camrose.

Dealing with the last first, I would say that the hon. member devoted most of his remarks to a criticism of one special case which had come to his notice. Dealing next with the hon. member for Kindersley, I would say he commended the government on a special case, and that was his own. Going back to the first, I listened to the remarks of the hon. member for Brandon-Souris but I cannot really admit that he contributed too much to this debate. It seemed to me that his thinking was along the same lines he exhibited the other evening when he attempted to cure the ills of the maritime provinces on the decentralization problem by telling us we should go back to the policies introduced by the Conservative party at the time of confederation.

I would come now to the bill itself Mr. Speaker. I would say that I agree entirely with the principle of this bill, but I do not entirely agree with the application of its principle to date. At its annual meeting held in Truro in January of this year, the Nova Scotia federation of agriculture passed the following resolution under the heading of "Farm Credit Policy":

> Whereas our present credit facilities are not adequate to meet the requirements of an expanding industry in a way that producers may increase their production units to a profitable and efficient level.
>
> Resolved that provincial and federal authorities make every effort to expand all types of farm credit policy.

I am very hopeful, Mr. Speaker, that the amendment to this bill is carrying out the policy advocated. Perhaps those of you who are interested in the problems of Nova Scotia will recall that our provincial legislature has set up a royal commission to study all phases of agriculture credit. I would say that is a step in the right direction.

Now, sir, perhaps some of you will say to me, what right has a member from Nova Scotia to participate in an agriculture debate? I should like to state here that Nova Scotia, small as it is, has a farm population of 112,000, according to the census of 1951, compared with a farm population in Canada of 2,827,000. In other words Nova Scotia, in spite of all that has happened in the past, still has 4 per cent of the farm population of Canada.

I am going to deal now more specifically with the workings of the Canadian Farm Loan Act in Nova Scotia. In trying to lead up to this I placed a question on the order paper as far back as February 13 requesting a breakdown of the farm loans granted and applied for in Nova Scotia during the last calendar year. I might say that my reason for doing this was based on that resolution passed by the Nova Scotia federation of agriculture previously referred to. I was afraid that the Canadian farm loan board had forgotten there was any agriculture in Nova Scotia. As yet I have not received a reply to this question, so in dealing with this problem I must base my remarks on the last annual report of the Canadian farm loan board, for the year ending March 31, 1955.

As I have said, Nova Scotia has 4 per cent of the farm population of Canada; yet according to the figures in the annual report, at March 31, 1955, Nova Scotia had 3·4 per cent of the farm loans outstanding as compared with the rest of Canada. I am coming now to the application of the farm loan program in Nova Scotia in the last year. I want to again impress the fact upon you that Nova Scotia has 4 per cent of the farm population of Canada. According to this report, in the last year Nova Scotia was given only 1·2 per cent of the farm loans which were made, that is according to number, and according to amount we fared even worse because we got only 1·07 per cent of the loans.

In view of those figures, and in view of the fact I have not been able to get an answer to the question I asked concerning loans made in the calendar year, I find myself in the position where I must agree with the criticism which was raised at the annual meeting of the Nova Scotia federation of agriculture. They said that the Canadian farm loan board had lost interest in the farmers of that province.

Where is the parliamentary assistant? I hope he will follow me when I say that I trust this new program will mean the farmers of Nova Scotia will not be forgotten. I have given you the figures showing what we have had. Our farmers think this is a great plan if it is properly applied but they cannot see that, on the percentage of loans granted under the present scheme, they are being properly treated.

The farm loan board maintains an office in Halifax, the capital of Nova Scotia. With all respect to my good friends from Halifax, I would say that Halifax is not in touch with the rural portions of the province because it is so far away. Last year this loan office granted to the farmers of Nova Scotia 31 loans totalling $88,750. I might say in all sincerity that if a farmer loan organization in Nova Scotia, where there are 112,000 farm people and with all the applications they have had, cannot put out more money than that, then either agriculture in Nova Scotia is doomed or the farm loan board is not doing its duty.

Let me go back a bit. A few years ago it was my privilege to sit in this house, and it still is. With all respect to my good friends from Halifax—the war was on and Halifax was carrying the load for Canada, as every Nova Scotian did, but Halifax bore the brunt of it—I advocated that the place for the Canadian farm loan board was in the centre of agricultural production in Nova Scotia, not away out on the headland with the shipping, which had very little connection with agriculture. Although I made my point, it was indicated to me at that time that in addition to administering the Canadian farm loan, the farm loan board had to look after fishermen's loans. There was nothing I could say to offset that, because farming and fishing in the interior of Nova Scotia had nothing in common.

In view of the remarks of the parliamentary assistant I now find, sir,—and I am now saying this to the parliamentary assistant and through him to the Minister of Finance—that the terrific job the Canadian farm loan board had to do to look after loans to fishermen in Nova Scotia was to make four loans to the total of $1,291.11. Because of this new outlook on farm loan advances, I hope the rural people of Nova Scotia will be able to get a proper office in the centre of the province.

In addition to the improvement in the farm loan board administration, I hope the board will put its offices in the centre of the farming population where they will be in close contact with our farming problems. Why should the Canadian farm loan board, lending money to the farmers of Nova Scotia, be located where it is? Halifax is a wonderful city, but on the other hand the federal Department of Agriculture has its main offices in the constituency of Colchester-Hants. The Veterans Land Act, which lends money to put people on the land, has an office there, and the Nova Scotia government in all its wisdom—and it is a good government—has the agricultural college at Truro. The headquarters of all their agricultural activities is there. If I could only impress upon our federal people, if they are to play a real role and do a decent job for the farmers of Nova Scotia, the necessity of bringing their activities to the farmers rather than have the farmers going to them, it would be a great day for the farm loan board, for the Minister of Finance, for his parliamentary assistant, and for the member for Colchester-Hants.

Thank you very much.

Mr. Winters: Mr. Speaker, I wonder whether I might make a suggestion at this time. I wonder whether hon. members would agree to give this bill second reading tonight on the understanding that if that is done I shall move that it be referred to the standing committee on banking and commerce?

Mr. White (Middlesex East): No, sir. I move the adjournment of the debate.

On motion of Mr. White (Middlesex East) the debate was adjourned.

Mr. Winters: I move the adjournment of the house.

Motion agreed to and the house adjourned at 9.57 p.m.

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:

GEORGE W. OFFEN—PAYMENT OF DAMAGES

Question No. 145—**Mr. Tustin:**

1. Did the Royal Canadian Air Force accept responsibility for damage to gill nets of George W. Offen, Carrying Place, Ontario, by their crash boat in the Murray canal zone on November 26, 1953?
2. If so, was any settlement made, and in what amount?
3. Was any influence brought to bear on Mr. Offen to accept this settlement? If so, by whom?
4. What value did Mr. Offen place on his complete losses?

Answer by: **Mr. Campney:**

1. No.
2. Although no evidence of legal liability was adduced, an *ex gratia* payment of $650, representing the cost of the gill nets, was offered and accepted.
3. No.
4. $5,150.

MILITARY PENSIONS—RETIRED PERSONNEL

Question No. 176—**Mr. Balcom:**

1. Has consideration been given by the government or the Department of National Defence to increasing the service pension of officers (male or female) of the permanent forces of Canada who retired before 1950, so as to bring their pension in line with those permanent force officers retired since the second world war?
2. If so, has a decision been made?
3. If not, will the matter be studied and reported upon?

Answer by: **Mr. Campney:**

1. No.
2. Not applicable.
3. No.

MILITARY PERSONNEL—AIR TRANSPORT COSTS

Question No. 185—**Mr. Diefenbaker:**

What was the total amount paid to (a) Trans-Canada Air Lines; (b) Canadian Pacific Air Lines; (c) British or commonwealth air lines; (d) foreign air line companies, from January 1, 1955 to date, in respect of transportation for (i) officers; (ii) other ranks of the Canadian defence services?

Answer by: **Mr. Campney:**

(a) (i) $1,192,358.83; (ii) $586,036.19.
(b)* (i) $136,488.53; (ii) $223,851.25.
(c) (i) $3,797.20; (ii) nil.
(d) (i) $70,269.34; (ii) $17,867.51.

Amounts given are for the period January 1, 1955 to January 31, 1956.

*—Excludes cost of transporting personnel—officers and men—under contract with C.P.A. to and from the Far East.

Questions

EXECUTIONS OF PERSONS RECOMMENDED TO MERCY

Question No. 199—**Mr. Diefenbaker:**

How many persons who had been recommended to mercy in the verdict of the trial jury have been executed in Canada since January 1, 1930?

Answer by: **Mr. Garson:**

Twenty-one persons.

BUTTER SALES TO D.V.A. HOSPITALS

Question No. 214—**Mr. White (Hastings-Frontenac):**

1. How many pounds of butter have been sold to D.V.A. hospitals in Canada under the assistance policy of the Department of Agriculture since February, 1955?
2. What was the price per pound for such sales?

Answer by: **Mr. Gardiner:**

1. The number of pounds of butter purchased by D.V.A. hospitals in Canada under the assistance policy of the Department of Agriculture since February, 1955, to February 28, 1956 was 252,144 pounds.

2. Each D.V.A. hospital has received a discount of 21 cents per pound on butter distributed under this program.

BUTTER SALES TO ARMED SERVICES CAMPS

Question No. 215—**Mr. White (Hastings-Frontenac):**

1. How many pounds of butter has been sold to army, navy and air force camps and establishments under the assistance policy of the Department of Agriculture since February, 1955?
2. What was the price per pound for such sales?

Answer by: **Mr. Gardiner:**

1. Nil.
2. See answer to No. 1.

POST OFFICE DEPARTMENT INSURANCE

Question No. 239—**Mr. Lennard:**

1. Does the Post Office Department carry insurance for any purpose?
2. If so, for what purposes, in what amounts, and with what company?
3. If no such insurance is carried, by what method is provision made for losses (a) which must be borne by the Post Office Department itself; (b) when it is necessary to recompense users of the postal service?

Answer by: **Mr. Lapointe:**

1. No.
2. See answer to No. 1.
3. (a) and (b): Charged to postal revenue.

HOUSE OF COMMONS

Friday, March 9, 1956

The house met at eleven o'clock.

SPEECH FROM THE THRONE

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. Speaker: I have the honour to inform the house that I have received a communication from His Excellency the Governor General, signed by his own hand, reading as follows:

Government House
Ottawa

7th March, 1956.

Members of the House of Commons:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Vincent Massey

NATIONAL HOUSING ACT

ANNOUNCEMENT OF INCREASE IN INTEREST RATES ON INSURED LOANS

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I should like to inform hon. members of the decision to increase the maximum interest rate on insured loans under part I of the National Housing Act from 5¼ per cent to 5½ per cent. Corresponding increases will take place with respect to rates applicable to the other types of loans under the act. These rates are ceiling rates. Lenders are, of course, free to make loans at lesser rates if circumstances so warrant.

The statute authorizes the governor in council to fix the maximum rate of interest that may be charged for various types of loans. In respect of insured mortgage loans, the interest rate cannot exceed the yield on long-term government securities, plus 2¼ per cent as of the time the rate is fixed.

It is the expressed policy of the government to adjust the mortgage interest rate from time to time within the provisions of the statutory formula so that the lowest rate will be established which will attract on the market adequate mortgage funds. In accordance with this policy the rate was reduced from 5½ per cent to 5¼ per cent in February, 1955. It is now felt that rates under the act should revert to their former levels.

Actually, the interest rate on long-term government bonds would have justified an increase from 5¼ per cent to 5½ per cent last August, but the flow of funds to housing then, and until quite recently, has been good, with the result that no such action has been taken. Bearing in mind the continued high level of interest rates in general and the anticipated demand on investible funds in 1956, an increase is necessary now so that builders and home owners will have continued access to mortgage funds under the National Housing Act in the year ahead.

The change in the interest rate will have effect Monday morning, the 12th of March.

Mr. G. K. Fraser (Peterborough): Mr. Speaker, may I ask a question? Will applications that are in before that date come under the 5¼ per cent?

Mr. Winters: The rate becomes effective Monday morning, March 12. It will depend on the stage of the application being processed.

Mr. Fraser (Peterborough): If they were processed before that date, Monday morning, they would then come under the 5¼ per cent; is that right?

Mr. Winters: It depends on what date the application was approved. I do not wish to express myself particularly on that point because there are several stages in the processing of an application. Where Central Mortgage and Housing Corporation has given an undertaking to insure before next Monday the 5¼ per cent rate will apply.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would the minister permit a supplementary question? Will the government be introducing any liberalizing amendments to offset this restrictive change?

Mr. Winters: I think hon. members are aware that there is already a notice of motion on the order paper to amend the National Housing Act.

CRIMINAL CODE

AMENDMENT RESPECTING PAYMENT OF FINES UNDER SUMMARY CONVICTION PROVISIONS

Mr. J. G. Diefenbaker (Prince Albert) moved for leave to introduce Bill No. 167, to amend the Criminal Code (payment of fines).

Some hon. Members: Explain.

Mr. Diefenbaker: The object of the bill is to provide that when a fine is imposed under the summary conviction provisions of the Criminal Code there shall be mandatory action taken by the court to assure, subject to certain necessary reservations, that a warrant of commitment shall not issue for imprisonment forthwith of the person on whom the fine has been imposed in the face of the financial inability of that person to make immediate payment.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

MIDDLE EAST—REQUESTED SUSPENSION OF SHIPMENT OF AIRCRAFT TO EGYPT

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Minister of Trade and Commerce who I presume is acting as Prime Minister today in the absence of the Prime Minister? Will he issue a suspending order to prevent the aircraft assigned to the Egyptian air force being shipped from Halifax tonight? I understand that the Dutch freighter is due in Halifax this afternoon and after loading will sail tomorrow. This, therefore, is a final appeal to the government because if the government does not intervene—

Some hon. Members: Order.

Mr. Pearkes: —I am afraid—

Mr. Speaker: Order. I realize the importance of the question and the genuine desire of the hon. member to have something done with respect to the matter he has just raised, but this is not the time to make an appeal to the government and to try to prove why an appeal should be made. This is the time to ask questions. Having listened carefully to the question asked by the hon. member, it seems to me that the very same question was asked yesterday and dealt with at length. Replies were made by the government then to each and every question asked.

Mr. Pearkes: I wonder whether I might explain to Your Honour that this is not the same question in that I am asking for a suspending order whereas yesterday we asked for prohibition. This is different. A suspending order was issued before, and if I may I should like to direct my question to the minister and ask that a suspending order be issued at this time. That will be my final appeal.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The Prime Minister made it quite clear in answering questions yesterday that the government does not intend to intervene in the matter of the shipment of Harvard planes.

[*Later:*]

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I direct a supplementary question to the Minister of Trade and Commerce in respect of the question asked by the hon. member for Esquimalt-Saanich. What possible harm would be done if the shipments of these planes were at least delayed?

Mr. Speaker: Order. This is not a question for the purpose of eliciting information.

Mr. Green: I submit that that question is asking for information.

Mr. Speaker: May I submit to the hon. gentleman that, in my experience, there has never been any hon. member standing at this time to ask a question who did not firmly believe that his question was one that should be asked on the orders of the day.

MIDDLE EAST—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Is he in a position to give any report regarding the apparently critical situation in the Middle East, and when he is replying will he tell the house and the country why the government adopt different principles in regard to arms sold by a contractor to the Egyptian air force than in sales by a government corporation dealing with Israel?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, though I did not receive notice of this question I rather anticipated that it might be asked, or one like it, and I therefore welcome the opportunity of making a statement on the matter referred to by my hon. friend, namely the situation in the Middle East.

The situation in that area, particularly the relations between Israel and her Arab neighbours, has been tense and the cause of potential conflict since the first day of Israel's existence.

There have been ups and downs in the position, but it has always been disturbing and worrying. Events of last week have added to our worries. However, there have been in the last year more immediately disturbing developments, such as the El Auja and lake Tiberias incidents, which did not result in conflict, and we must hope that not

only will conflict be avoided now but, more important, that the cause of conflict will be removed.

The situation, Mr. Speaker, seems to have eased somewhat in the last few days following the shock caused by the abrupt dismissal of Sir John Glubb from the Arab legion of Jordan and there have been somewhat reassuring statements from Middle East leaders.

Hon. members will have noted that Premier Ben-Gurion said on Wednesday: "This government will not start a war". At the same time, it was stated in Washington, from what are referred to as official sources, that there was nothing to indicate that an attack from either side was imminent.

The governments of the United States, the United Kingdom and France have been in consultation with a view to doing everything possible to avoid armed conflict in the area, and we ourselves are keeping in close touch with these governments on this and other matters almost daily.

Hon. members will also have noted that the Secretary General of the United Nations, a careful man not given to exaggeration or overoptimism, has recently stated his considered view, in reply to a question as to whether the Middle East was on the brink of war, that "We have moved away from the brink". He did not believe that there would be war, and he added that it was "even a little premature in his opinion to say that an arms race had developed".

It is true that during the week there have been disturbing reports of border incidents, but it should also be noted that neither Israel nor her neighbours have considered these serious enough, or as representing a dangerous enough development to warrant a request that the United Nations security council be called to deal with an imminent threat to peace; something that they have not hesitated to do in the past.

My view, therefore, is that the situation, while tense and difficult, as it has been for years, and while giving no ground for complacency and much for anxiety, is not such as to warrant interference in the shipment by a Canadian company of a few training planes which were equipped with no arms whatever and could not be made structurally effective for that purpose without at least two months' factory work. Such a shipment should not add to tensions or dangers in the area and could not upset any balance of armed strength between contending parties, nor does it represent in any way favouring one of those parties against the other. The record of the government in this matter over the years sufficiently disposes of that idea.

In conclusion, Mr. Speaker, I would like to repeat, and to emphasize what has already been said in this house, that neither Israel nor any of the Arab governments concerned can hope to gain anything from a resort to arms to settle their present differences. On the contrary, war would be disastrous to all concerned. It would result in the mobilization of world opinion, in the United Nations and elsewhere, in condemnation of the aggressor and in support for the victim of aggression. I cannot believe that this is a situation which any country in the Middle East desires to bring about. I can give this house and the country an assurance that the Canadian government will play its part with other friendly governments in efforts, especially through the United Nations, to avoid any such disaster and in helping to bring about peace and stability in that area.

Mr. Diefenbaker: Mr. Speaker, we welcome these statements of the minister which reveal more optimism than was apparent in the debate in the British House of Commons a day ago.

Some hon. Members: Question.

Mr. Diefenbaker: I repeat that the house and the country will appreciate the minister's optimism. I would now like to ask him if his unprepared text would permit him to answer the question I asked in addition to the one he has already answered. Why does the government of Canada apply different principles in connection with the sale by a private contractor of arms in dealing with the Egyptian air force than it does in the case of the government agency dealing with Israel.

Mr. Pearson: Mr. Speaker, the hon. gentleman did not give me notice of his question so he would probably allow it to stand and I will take it as notice. I wish, of course, to reject the assumption that there is any application of different principles in this matter.

Mr. Knowles: Mr. Speaker, I should like to ask a supplementary question. If notice of this question is being asked to stand, would it not be a good idea to suspend tonight's shipment of planes to Egypt?

INQUIRY FOR RETURN

TRANS-CANADA PIPE LINE—INCOMPLETENESS OF RETURN FILED

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I wish to raise what is really a question of privilege. I hold in my hand a copy of sessional paper No. 174B dated Tuesday, February 21, which I have looked over

carefully. The return asks for a copy of all memoranda, correspondence, telegrams and other documents exchanged between the government of Canada and the governments of any of the provinces since January 1, 1954, regarding proposals for the building of the trans-Canada pipe line. In going over the return I find that in a letter to the Prime Minister from the provincial treasurer of Ontario, dated November 7, 1955, there is an indication that the provincial treasurer of Ontario handed the Minister of Trade and Commerce the preliminary report from Mr. Grant Glassco on certain aspects of the trans-Canada pipe line, as well as sending one to the Prime Minister. This is not included in the order for return and I think it should be. The final report of Mr. Glassco is properly included as one that was sent to the Prime Minister by the premier of Ontario on November 25.

Then, in a letter from the Minister of Trade and Commerce to the Ontario provincial treasurer dated September 17, 1955, we read:

> During our recent discussion about the trans-Canada pipe line, I left with you copies of a letter to me from the vice-president of the company, Mr. Coates, dated September 1, 1955, together with a revision of the proposal upon which Trans-Canada's letter was based.

This letter is not included in the order for return and I take it this is a document exchanged between the government of Canada and the government of Ontario. If not in my return I would have expected to find it in the return for the hon. member for Dauphin, which return was for a copy of correspondence, etc., exchanged between the government and Trans-Canada Pipe Lines, but it is not there either. Having searched the records, I am asking that these documents be included.

Right Hon. C. D. Howe (Minister of Trade and Commerce): With regard to the preliminary report of Mr. Glassco to the provincial government, may I say I received a telephone call from Mr. Porter in which he said certain errors had been discovered in Mr. Glassco's report. He asked me to return the report to him and said that he would replace it by the report which was tabled. Naturally, having been asked to return the document, it is not in my possession. I had it but I do not have it now. As far as the letter referred to is concerned, I will have a search made today and see that it or any other letter that has not been tabled is tabled.

Mr. Coldwell: I take it that the document you returned was corrected and is in the file?

[Mr. Coldwell.]

Mr. Howe (Port Arthur): That is right.

Mr. Coldwell: And the other documents will be looked after by the minister to see that they are tabled, if available?

Mr. Howe (Port Arthur): Yes.

HARBOURS

HALIFAX—REPAIR OF SHED NO. 27

Mr. S. R. Balcom (Halifax): I should like to direct a question to the Minister of Transport. Is it the intention of the national harbours board to proceed at once either to rebuild or to replace shed No. 27 that collapsed recently owing to the unusually heavy fall of snow in Halifax?

Hon. George C. Marler (Minister of Transport): I have been advised by the national harbours board that this matter has received prompt attention and that steps are being taken either to repair or to reconstruct the shed and that it will be put back into operation as soon as possible.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PAYMENT OF RAIL FARE OF UNEMPLOYED

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Yesterday I directed a question to the Minister of Labour. I wonder whether I could ask another question in order to clarify what I had in mind yesterday. It concerns the province of Quebec where certain labourers were specially trained to perform certain agricultural services. Would these people, for instance, be under, shall I say, the practice of the co-operative idea? Will the two governments, provincial and federal, pay the transportation charges if they were asked to go to, say, Ontario to engage in those special services?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I should like to look at my hon. friend's question. Perhaps if he would be good enough to give me information on a special case I would be better able to give him an exact reply. In replying to his question generally I should like to say that the practice of assistance to workers, whether they were trained prior to going or were already fit, to move from one place to another, has been done sparingly, as my hon. friend will understand, and subject to a means test.

Mr. Murphy (Lambton West): I have just a short supplementary question. Yesterday the answer of the minister applied to winter.

Would the same practice apply, say, to spring or any other season of the year?

Mr. Gregg: Yes. It does not apply to any particular season of the year.

HEALTH AND WELFARE

REQUEST FOR AMENDMENT OF OLD AGE ASSISTANCE REGULATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to my hon. friend the Minister of National Health and Welfare. In view of the increased assessments on homes taking place in Winnipeg and in many other municipalities across Canada, will the government consider amending the section in the Old Age Assistance Act regulations which sets the income value of an old age pensioner's home at 5 per cent of the assessed valuation, so that the pensions paid under that act will not be reduced because of this action by municipalities?

Hon. Paul Martin (Minister of National Health and Welfare): As my hon. friend knows, this is a matter over which I as Minister of National Health and Welfare would have no control. It is a matter that involves consideration by the provinces as well. I will give my hon. friend's question some further consideration to that already given. The matter is one that does not rest with the federal government alone.

Mr. Knowles: But the regulations are federal regulations.

Mr. Martin: No. The regulations are not federal regulations. The regulations are devised by all of the provinces and the federal government. This is a good opportunity to tell my hon. friend that he should not persist in giving that information to the public, as I know he did on at least two occasions.

Mr. Knowles: Then will the minister take up with the provinces the desirability of making such an amendment to the regulations?

Mr. Studer: Take back what you said.

POST OFFICE DEPARTMENT

BRITISH COLUMBIA—REFERENCE TO THEFT OF PACKAGE

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I have a question for the Postmaster General. Since evidence at a recent trial in British Columbia disclosed that a package containing $44,500 was placed in a wastepaper basket for safekeeping—

Some hon. Members: Question.

Mr. Speaker: An hon. member asking a question is entitled to give enough facts to make his question intelligible.

Mr. Hamilton (Notre Dame de Grace): Since evidence at a recent trial in British Columbia disclosed that a post office package containing $44,500 was placed in a wastepaper basket for safekeeping and subsequently stolen, will the Postmaster General take steps to inform his branches that such a procedure is not advisable?

NATURAL GAS

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to address a question to the Minister of Transport. In view of the coming debate on the Trans-Canada pipe line, can I expect an early answer to question No. 94 on the order paper, which deals with the price of natural gas?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I think the answer is ready and it will be in *Hansard* either today or Monday.

DRUGS

USE OF STILBESTROL IN POULTRY AND LIVESTOCK FEEDS

On the orders of the day:

Mr. James A. McBain (Elgin): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Is it now legal in Canada to use the drug stilbestrol in poultry and livestock feeds?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, in view of the importance of this matter, I have already indicated to the hon. member for Essex West (Mr. Brown) and the hon. member for Kent, Ont. (Mr. Huffman) my intention to make a reply to this question perhaps early next week.

RABIES

REPORTED OUTBREAK IN SOUTHERN ONTARIO

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I should like to address a question to the Minister of Agriculture. In view of the fact that I have not had an answer to the question I asked on Wednesday with reference to the serious outbreak of rabies,

are we to take it that the government is not yet sure of its policy in regard to this rather serious matter?

Right Hon. J. G. Gardiner (Minister of Agriculture): No, the department is being very careful to ensure that the figures that are given are absolutely correct.

ROYAL CANADIAN AIR FORCE

INQUIRY AS TO CRASHES IN EUROPE

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence, notice of which I have not given him, but if he cannot reply now perhaps he might take this as notice. Has the Minister of National Defence a report available on the reported collision and destruction of four R.C.A.F. planes in Europe recently?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker, not in any more detail that we have read in the press. It so happens that the destruction of the four planes in question was observed only by a number of civilians and there have been great discrepancies in their stories. Therefore a most careful investigation of the remains of the planes and a most careful examination of the witnesses is now under way. Until we receive a detailed report I do not think it would be desirable to make any further comment.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF FISHERIES

General services—

135. Departmental administration, $301,000.

Mr. Stick: Mr. Chairman, last week when the adjournment of this debate took place I was speaking about fishery problems. May I now join with the other hon. members of this house in welcoming the minister back to his seat. I do so because this department needs a head and when the head is away it does not get the consideration it should.

Many questions have been raised during this debate regarding territorial waters and our jurisdiction over them. May I say that in the debate in the committee on fisheries in 1953 we examined a bill entitled "an act to protect the coastal fisheries". That was on February 13, 1953. An extended examination of that bill took place. For the benefit of those hon. members who do not appear to understand what the three-mile limit means I wish to quote from the proceedings of the fisheries committee dated February 9, 1953. At that time the minister was replying to some questions on this matter and he said this:

> It was this matter of territorial waters to which most of the debate related. We have had such debates on previous occasions when fisheries bills were up. The desire of most fishermen in Canada is understandable, that our territorial waters be extended out as far as possible to preserve the inshore fisheries.

In reply to a question which I asked him the minister made this reply:

> The French and the Americans still have certain rights on the Newfoundland coasts; but fishing on the Grand Banks is probably a very good example of the fact that in the background the British, in respect to having freedom of the seas, as do many nations, feel that they have a historic right in the fisheries which are not within our three mile limit, but which may be upon our continental shelf.

On that occasion I quoted the judgment of the international court at The Hague. Without going into too much detail, I should like to put on record some of that judgment. This is what I said at that time, as recorded on page 11 of the minutes of proceedings of the committee:

> The 20th day of October, 1818—Convention signed at London between Great Britain and the United States on the 20th day of October, 1818. That was the first. That dispute was taken before The Hague court, and now I will read the judgment. The judgment of the court at The Hague was as follows:
>
> In case of bays the three marine miles are to be measured from a straight line drawn across the body of water at the place where it ceases to have the configuration and characteristics of a bay. At all other places the three marine miles are to be measured following the sinuosities of the coast.

Here is the judgment:

> Now therefore this Tribunal in pursuance of the provisions of Art. IV hereby recommends for the consideration and acceptance of the high contracting parties the following rules and method of procedure for determining the limits of the bays hereinbefore enumerated.
>
> 1. In every bay not hereinafter specifically provided for the limits of exclusion shall be drawn three miles seaward from a straight line across the bay in the part nearest the entrance at the first point where the width does not exceed ten miles.
>
> 2. In the following bays where the configuration of the coast and the local climatic conditions are such that foreign fishermen when within the geographic headlands might reasonably and *bona fide* believe themselves on the high seas, the limits of exclusion shall be drawn in each case between the headlands hereinafter specified as being those at and within which such fishermen might be reasonably expected to recognize the bay under average conditions.

Then it goes on to specify certain bays. It specifies Fortune bay, in Newfoundland and, as may be of great interest to my friend,

the hon. member for Digby-Annapolis-Kings, is specifies the bay of Fundy. It goes on to say:

> It is understood that nothing in these rules refers either to the bay of Fundy considered as a whole part from its bays and creeks or as to the innocent passage through the Gut of Canso, which were excluded by the agreement made by exchange of notes between Mr. Bacon and Mr. Bryce dated February 21, 1909, and March 4, 1909; or to Conception bay, which was provided for by the decision of the Privy Council in the case of the Direct United States Cable Company *v.* The Anglo American Telegraph Company, in which decision the United States have acquiesced.

Now we come to the crux of the whole matter of the three-mile jurisdiction. After the international tribunal at The Hague made the ruling on the three-mile limit, that was not found satisfactory over a period of years. The matter was debated by the league of nations, but no decision was arrived at there. It was taken from the league of nations to the United Nations, with the same result, so that today the three-mile limit is recognized by certain countries and not recognized by others. It may be interesting to note which countries favour three miles and which countries favour 12 miles. I was quoting from Sessional Papers, Volume XLV, No. 24, 1911. I also quoted from the Digest of International Law by Hackworth, Volume I, chapters I-V, page 628:

> Various points of view with reference to the breadth of the territorial waters were expressed provisionally or in principle in the second committee of the Conference for the Codification of International Law held at The Hague in 1930, at its thirteenth meeting held on April 3. The delegates of certain states were in favour of the acceptance of the principle of a zone on the high sea contiguous to the territorial sea in which the coastal state would be able to exercise certain control. The views as expressed in the meeting of April 3 on these subjects were summarized as follows: Union of South Africa, 3 miles; Germany, 3 miles; United States, 3 miles; Belgium, 3 miles; Great Britain, 3 miles; Canada, 3 miles; Chile, 6 or 3 miles; China, 3 miles; Colombia, 6 miles; Cuba, 6 miles; Denmark, 3 miles, Spain, 6 miles; Finland, 4 miles—
>
> —and perhaps what is more important to us in Newfoundland—
>
> —Italy, 6 miles; Poland, 3 miles; and Portugal, 12 or 6 miles.
>
> So you will see generally from this that the matter has not been finally settled yet.

It was interesting for us to note that Portugal favoured a 12-mile limit, because Portuguese trawlers go out year after year fishing on the Grand Banks off Newfoundland and also fishing in our territorial waters outside the three-mile limit. We in Newfoundland believe that the Grand Banks are the breeding place of the codfish that come to our shores in such numbers year by year and we believe that, as a result of this intensive fishing that is going on at the Grand Banks at the present time, there are signs of depletion and if it is continued year after year it will affect the inshore fisheries in Newfoundland. If that is so, this question of territorial waters and of international agreements regarding conservation should be taken up and continued vigorously by this government.

I have spoken on this before and I cannot emphasize too strongly today, as far as the future fisheries of the codfish in Newfoundland are concerned, particularly on the southwest coast and certain parts of the northeast coast, that this matter will have to be pursued with the governments of Spain, France and Portugal so that some international agreement may be reached and some form of conservation may be agreed to between the countries. I make this plea this morning because I think that in the course of time we shall have to do something about it.

With regard to the territorial waters, again it may be interesting to note that quite lately Peru and Ecuador extended their jurisdiction over the territorial waters up to 200 miles. They seized fishing boats well off the coast, about 200 miles out, and brought them in to port. They were released only after a fine had been paid. It may be interesting to note also a statement by President Truman in 1945 regarding the continental shelf. I quote from page 16 of the report of the proceedings of the committee on February 9, 1953:

> In 1945 President Truman made two declarations on a statement of policy of the United States government. One of those declarations related to the continental shelf in which the United States claimed sovereignty over the subsoil resources in the continental shelf and at the same time made it very clear that the character of the waters above it remained unaffected.

This means that the United States claims jurisdiction over the continental shelf but not the waters above it. It may be interesting to note also that the United States has certain fishing rights on the south coast of Newfoundland. The Grand Banks are part of the continental shelf off the coast of Newfoundland. Now that the United States has claimed jurisdictional sovereignty over the continental shelf, it may be that in the course of time there will be one step further, that they claim jurisdiction over the waters above the continental shelf. If this takes place, Canada will be in a position to claim jurisdiction over the Grand Banks.

The time has come, in all this confusion in international law about the three-mile limit and whether it should be three miles, ten miles or 12 miles, for a decision to be arrived at by someone. Somebody has to take the lead in this matter. I advocate now without

any reservation that Canada, which in international affairs is playing its part so brilliantly, now take the lead and notify the other powers that it will extend jurisdiction over its continental shelf for the full 12 miles. That is quite a statement for me to make, but I am convinced that somebody must give the lead and I believe that Canada is the proper one to do it. This government must take its courage in both hands, make that announcement and stick by it. I believe that if we do that other nations will follow our example and, instead of having a three-mile territorial jurisdiction, which is in dispute so often, we would settle the matter once and for all, and most of the countries in the world would accept the 12-mile limit. That is all I have to say regarding the territorial jurisdiction over our waters.

There is one point in this discussion on fisheries that I think is very important. I have studied the set-up of the fisheries organization of the federal department in British Columbia. Let me say right here that as a result of my visit there a few years ago I was amazed at the efficiency of the officials, their grasp of the situation there and their control over the fisheries of British Columbia. I discussed this matter with Mr. Mayhew, who was then Minister of Fisheries, and said, "We want that kind of organization on the east coast of Canada." Our fisheries are being organized, it is true, and many improvements have been made in the last three or four years, but until we have such an organization on the east coast as they are on the west coast of Canada our fisheries are going to suffer. Let me give you my views of an outline of fishery prospects for the whole of North America. On the Pacific coast all or practically all fisheries are regulated. They are regulated because if intensive fishing takes place depletion will also take place and to preserve the fisheries on the west coast of Canada conservation measures must be taken and have been taken in conjunction with the United States of America. Therefore if you cannot catch any more fish—I use the term "fish" in its broadest sense—on the west coast without depletion you can understand that you cannot increase your catch there very much. The same situation has taken place on the fishing banks off the New England coast. The same thing is true off the Nova Scotia coast.

Therefore the only natural fishing resource left in the whole of North America today is Newfoundland, Labrador and possibly Greenland. You have 170 million people in the United States and Canada with a natural increase of about 4 million a year. These people have to be housed, clothed and fed. If the fishing industry is to supply the increasing population and the big demand of these 170 million odd people for fishery products, they will have to go further afield and look for the natural product. The only place left for them to go is Newfoundland and Labrador.

Evidence of that has been plainly shown during the last two or three years when we have had Nova Scotia merchants coming from Nova Scotia to Newfoundland to buy our salted codfish in its raw state. That tendency is going to increase. Therefore it is necessary in my opinion that a complete survey of the fishery prospects of the whole of the east coast of Canada be undertaken without delay. It will be too late when depletion takes place. The time to begin that is now. In that connection I should like to point to the Atlantic salmon. Many years ago we used to catch Atlantic salmon in very large quantities, but the catch has been decreasing year by year and the need for preservation of the salmon and for conservation methods has reached such a state now that something drastic will have to be done.

Last year I also mentioned our herring fishery. The herring used to come into Fortune bay literally in millions. For some reason or other they left Fortune bay and about a year or so later they struck into bay of Islands. In the last two or three years they have been leaving bay of Islands. Nobody knows where the herring go or the reason for this coming and going. In answer to a question of mine last year, the minister said that the lack of fishery scientists was the cause of the delay in making a survey of the herring fishery. I do hope that in the coming year something definite will be done so that we may know more about our herring, where they go and why they do not come into our shores regularly. Our herring fishery has become a very important fishery. The demand for our herring is increasing and prices are good. When the minister is replying perhaps he might say something about this matter.

I was very glad to hear the minister say the other day that the salt codfish industry is beginning to look up. It is only two or three years ago that we had a depression in the industry. I am glad to see that the methods adopted by the Department of Trade and Commerce in the marketing of our salt codfish are beginning to have beneficial results, and I must give credit where credit is due. I am very glad to hear that we have no surplus of salt codfish this year. In fact, prices are beginning to become better. This is a matter of great satisfaction to our fishermen because they have been fishing under very adverse conditions for a number of years. This will

encourage our fishermen to continue their calling and go out on the high seas to earn their daily bread.

The parliamentary assistant to the Postmaster General, who comes from a fishing community in Nova Scotia, made a statement the other day with which I wholly agree. He appealed for wharves and breakwaters to protect our fishermen in the different places from which they fish. I agree wholeheartedly with what he said, and I should like to give one example now of what happened in my riding in a place like Whiteway where they never had any protection or wharves. They asked me whether I could get them a wharf. So badly were they in need of a wharf for protection that they offered to work on it if the timber could be supplied. The wharf was built. It is a wharf and breakwater combined. The very day that the wharf was completed 5,000 pounds of mackerel were landed on the wharf. That was early in September and from September until November, when the mackerel fishing season ended, 250,000 pounds of mackerel were landed on the wharf. That is encouraging, and we want more encouragement.

We like to see our friends from Nova Scotia come and buy our fish. We place no restrictions on them. It creates competition with our own merchants and the consequence is that our fishermen probably get a better price. But how long the people from Nova Scotia will come there to buy our raw material is a matter of doubt because what has been happening is that they come there, buy our raw fish, process it and sell it in the markets in which we sell it. The time is coming when we are going to process our own fish.

This makes it all the more important that there should, as I said a moment ago, be conservation. The fisheries must be regulated on the east coast as they are on the west coast. Some control must be exercised, some organization must be set up similar to that on the west coast, and I think the time to do it is now. There is not much more I can say regarding the fisheries on the east coast except that reference has been made to the number of fishermen decreasing. When the minister replies I should like him to give me statistics for the last five years as to the number of fishermen so that we may know definitely one way or the other whether our fishermen are leaving the industry or whether they are staying with it. Some people think our fishermen are leaving the industry, and in some places they may be. If this is a fact, then it is all the more reason for regulations and for encouragement to our fishermen to carry on their vocation in life so that this industry, which is becoming more important to Canada day by day may, be preserved.

I am not going to talk any more about the nutritious food which comes from the sea, but it is increasingly evident to me in Ottawa and other places I visit that the people of Canada are becoming more fish conscious than ever. If we are to supply the demand we must preserve the natural elements of our fishery products so that Canada may get the food which is required and so that our fishermen may get the returns which are so justly due them.

Mr. Murphy (Lambton West): I would be very ungrateful, Mr. Chairman, if I did not first say how much I appreciate the courtesy of the Minister of Fisheries (Mr. Sinclair) last Friday when he said he would hold over an item in the estimates dealing with lamprey control until I was present. I am very glad, too, that he indicated to the house I was speaking to a group on Friday night and dealt to a great extent with the efforts of this government, in partnership with the United States government, in connection with conservation. I should like to tell the minister, too, that the group was much larger than I expected, numbering some 450 as a matter of fact, who were conservation conscious. I was amazed that in that little area in southwestern Ontario people should gather in such large numbers because they were concerned about fish and wildlife and other aspects of conservation.

In the course of the discussion afterwards, and even prior to the meeting, it became quite apparent why they were so vitally concerned. I think I should make a point of this when I deal with the lamprey situation, and I should like to deal with that now rather than wait until that particular item is called in case I am not here then. All you need to do is to look at any good map of Ontario to note the number of streams that flow into Georgian bay, lake Huron and lake Superior which are infested with this curse of the fishing industry, the lamprey, to note how seriously it will affect fishing in these areas. The point I should like to emphasize just now is that this will seriously affect the tourist revenue of the Dominion of Canada. Three or four years ago I wondered why some people were not going back to areas in northern Ontario in which there was good fishing, that is speckled trout and other types of trout. I have learned since that it was because the lamprey had gotten into the streams and into the lakes and, as a matter of fact, had made sport fishing a bygone sport in those particular areas. I think that is a viewpoint we must not overlook because after all is said and

done, the tourist industry of Canada is of vital concern. It brings in United States dollars and we are looking forward to the day when the tourist revenue can be increased and multiplied. I think the efforts of the government and this joint commission will make a great contribution to that most important industry.

I think a great many people, including members of the House of Commons, do not realize that Canada has the greatest fresh water fisheries in the world. This may seem strange to a lot of people, and of course the share of the fresh water fishery is small when compared to what is obtained on the west and east coasts. Nevertheless, it is important. I have dealt at some length with this problem in the past and the committee that was set up last year was presented with the most interesting evidence. The United States government has only recently appointed their members to the international joint commission. I am hoping that the minister will, later in the session, suggest that perhaps in June or July we might have a one day sitting to get a report from the joint commission showing what has been accomplished, because the efforts of both governments through the international joint commission are being very closely observed. I know that personally I would welcome an opportunity of listening to these experts from the joint commission as to what has been accomplished. As I said a moment ago, I am sure that there are three million or four million people in Ontario alone who would also be interested in knowing what has been accomplished.

I never realized before, Mr. Chairman, but since I have made a study of this problem for about a year I now realize it is much bigger than I ever expected. At that time we heard that there were some 50 streams around lake Huron just north of Manitoulin island that were the spawning grounds for the lamprey. Of course, at that time there was no assurance those were the only streams, I appreciate that. We have since learned from a number of reports that there are spawning grounds in lake Erie. I am sure the minister has files in his office that give more data than I could give. I have noticed statements from our own fishermen that even streams down my way going into lake Huron also seem to be spawning grounds. I am going to relate to the minister a little experience to illustrate how serious this thing is becoming. Last year a little way from my place on lake Huron an old chap was fishing off a jetty for perch. He caught one and thought he had something that weighed about 15 pounds from the way it was fighting. When he landed it he found that there was a lamprey attached to the perch and it would not let go until he had the fish on the dock. When the trout in lake Huron have been devoured these lamprey are bound to attack some other type of fish. Reports have been coming in from the fishermen of lake Erie as well as lake Huron that other types of fish have been taken into nets showing evidence of having been attacked by these lamprey. I think that confirms what was said before, that when the lamprey have destroyed all the trout in the great lakes, which amount to about $5 million a year, they will then attack the whitefish and the pickerel.

I may say, as the minister no doubt knows, that my fishermen say there is already evidence that they are attacking the pickerel.

Mr. Macdonnell: What size are they?

Mr. Murphy (Lambton West): Oh, about four, five or six pounds. If that happens, the lamprey will destroy the commercial fishing industry in the great lakes. The point I should like to emphasize is, as I said a moment ago, that this job that faces the international joint commission is much bigger than we expected. Here is a department of fisheries report and I think I should put on the record what it says at page 52. It shows to what extent efforts have been made to eliminate this curse of the fishing industry, and what vital efforts must be made now and later to rehabilitate the industry in those areas. Now, this deals with lake Superior:

> The lamprey control program which is presently confined to lake Superior, the last stronghold of the valuable lake trout in the Great Lakes system, was forwarded by federal funds and the co-operation of provincial personnel of the Department of Lands and Forests. Approximately 600 streams tributary to lake Superior on the Canadian side of the lake were surveyed and assessed as potential lamprey spawning streams.

Mr. Chairman, it is going to be a terrific challenge to man to combat this predator because if there are that many spawning streams on the Canadian side there may be that many on the United States side or even more. Last session it was suggested that effort would be confined to lake Superior to hold the line. I disagreed with that idea and I still do. I quarrel with the suggestion of the provincial department of government on this idea of having hatcheries and restocking the lakes. I think we all agree that if it becomes necessary to assist nature to rehabilitate the fishing industry, it can be done only through hatcheries. Some argument developed last fall between myself and the fishermen on one side and an official of the Ontario government on the other side who contended that

restocking the lakes and keeping the hatcheries open was like spitting in the ocean. At that time I said and I think it is worth while repeating—that they had had a grand experience in that activity because that is all they have been doing over the last several years, namely spitting in the ocean.

Just recently, as a matter of fact, a statement came out from much higher authority in that particular government saying how successful they were in stocking some inland lakes with trout and so on. But the stocking of lakes or the restocking of them is a sort of relative term. You can stock a small lake with maybe a few thousand trout and it would be a successful operation. But a few thousand trout in lake Huron or in lake Superior would be like spitting in the ocean, and it would be a small spit if we had that many dumped in the Atlantic or the Pacific ocean. It is therefore a relative term. If we are going to accomplish anything in these commercial fishing areas, the figure must be in the millions or billions of fingerlings.

I am going to emphasize here my own opinion which is substantiated by the fishermen in my area and, I am sure, by other fishermen. In the first place, let us make a joint attack. Let us make the attack in lake Huron as well as in lake Superior. The other day the minister indicated that United States scientists had perfected a jelly or some poisonous substance which could exterminate four or five generations of lamprey while they are still in the mud. That was certainly good news because, as we know, these lampreys stay in the mud for four years before they ever go out to the great lakes. When they go out they are four or five inches long and when they come back to spawn they are 20 to 24 inches long. That is the growth in one year, and indicates the amount of food they have consumed and the damage which they can do. I therefore submit that we must gamble a little bit.

In the first place we must get more money for this project to eliminate this curse to the fishing industry not only in lake Superior but in the other inland lakes. We must get more money to enable the joint commission to make that joint attack. If we wait, with respect to lake Huron, until the lamprey is exterminated in lake Superior, that will be at the earliest—if all the lampreys can be exterminated—a matter of four or five years. I think that is recognized as being a fair estimate. It might be 8 or 10 years before they are exterminated. In the meantime the lamprey will have become so injurious to the industry in lake Huron and in the other lakes below that there will not be any fishing industry left and it will be a terrific job at that time to kill the lamprey unless some new means have been devised whereby there can be made an attack which will be much more effective than what we anticipate even at the moment.

I understand three hatcheries have been opened in Michigan or are being opened there —and the same in Wisconsin—in order to restock these lakes. They apparently realize that restocking is necessary. I suggest, Mr. Chairman, that if we can start now on a real effort to restock these lakes with these small fingerlings, in four, five or six years they would grow to the extent that they would be commercial fish, and by the time we had the lamprey under control the trout industry would be re-established. The lampreys, as a rule, are not going to attack small fingerlings. As a rule they will not attack until the fish are three or four years old. I urge that this extremely important industry receive the encouragement of the individual members who are interested in the problem and also of those on the treasury benches to whom the ministers must submit their estimates. I appreciate the extra amount that the minister obtained this year for this particular job. When he replies to the various arguments of the different members, I hope that he will state how much is the United States contribution and also whether individual states are making special efforts.

I have noticed some items in the press—as I think I said when I spoke on this subject some time ago this year—to the effect that the state of Michigan appropriated some $500,000 to rehabilitate the fishing industry, with regard to both commercial and sport fishing. That was a project over several years. There is an item—I am sure the minister has it—from Washington. I do not know what publication it is in. It may be that it is an Associated Press item. I cannot give the date. I hope I may just quote from it. It says that about 5,000 poisons have been tested and several of them appear to be promising. This is in connection with a substance to exterminate and kill the lamprey. The other item I want to refer to is this. It is an item out of Washington. I think it is last April, Mr. Chairman. It is as follows:

> Warren F. Looney, State Department official who helped negotiate the treaty last fall, said it was estimated that it would take six to eight years to bring the lamprey under control. The measure has strong support in Canada and is assured of passage in the Canadian parliament . . .
>
> Senator Charles Potter (R. Mich.) urged ratification of the treaty and said Canada is spending as much on lamprey control as the eight U.S. states fighting it in the Great Lakes.

I do not know just what he meant by that statement. I had in mind that he may mean

what the eight U.S. individual states are contributing, but I am not quite sure. I have noticed other items indicating that some of the individual states were making great contributions. I know the minister has this matter under consideration. I do not hesitate to express my own view. On the United States side they have lake Michigan, whose waters are all in the United States. I am hoping that their contribution will be pretty well in proportion to the area of the lakes themselves.

I do not intend to take up a great deal of time on this subject. I have dealt with it at some length. I think the public is fully aware of the seriousness of the situation. As a matter of fact, the Canadian Chamber of Commerce, which represents Canadian chambers of commerce from coast to coast, passed a resolution at their last meeting in Winnipeg. I know the minister has a copy of the resolution, which is pretty much the same as others which have been forwarded to him. As hon. members might suspect, that resolution of course was prompted by the Sarnia chamber of commerce at my suggestion. The Canadian chamber of commerce had no difficulty in accepting it.

I am going to say in conclusion, Mr. Chairman, that the people to whom I have spoken, who are in the commercial fishing industry, are more satisfied today than ever before that the necessary steps will be taken by this joint commission, through their respective governments, to rehabilitate the fishing industry. I am glad to make that statement because I personally have confidence in the ability of the minister to execute progressive measures with respect to this problem.

Like the fishermen of all those great lakes, I regret that the setting up of this commission was not proceeded with years ago. It is unfortunate for this country and unfortunate for those who border the United States, and for the people of both countries, that the eight states bordering on the great lakes and our own province were so dilatory. They knew the challenge before them and yet they made picayune attempts not only to curb or destroy the lamprey but to rehabilitate an industry which they knew was dying because of the lack of co-operative efforts to exterminate this curse of the industry.

As one of the members of the committee—I was not a member at first but I was put on purposely with this particular project in mind, and I hope that if another committee is set up I shall be given the same honour, and there are others whose constituencies border on the great lakes who are equally interested—may I say I feel satisfied in my own mind that because of the many representations made to the minister, which he can forward to his associates in the government, more money will be made available for this purpose. It is going to take more money. I think the minister himself will say that. To be frank about it, we cannot fight this menace with $1 million a year from both governments, nor can we even curb it, let alone exterminate it. I have no doubt in my mind that when one considers the number of streams that flow into lake Superior alone, apart from those that flow into other lakes—we know now that they spawn in lake Erie—it may take $3 million, $4 million or $5 million a year before this menace is exterminated. But even if it does take that amount of money, we shall be re-establishing an industry that today is losing $5 million a year. If we do not exterminate the lamprey and they start feeding on pickerel and whitefish we shall be crucifying an industry which means probably $15 million or $20 million a year to both countries, and that is not peanuts.

I have every confidence that under the present setup, together with the encouragement that has already been given, every step will be taken to exterminate this curse. I do hope that the minister will take it under his earnest consideration and indicate to the joint commission that joint efforts must be made to exterminate the lamprey by not only holding the line in lake Superior and exterminating them there but also continuing intensified efforts in the other lakes as well.

Mr. Michaud: Mr. Chairman, I should like at this time to make a few observations in relation to the fishery industry as applied more particularly to my own part of the country. Before I do so I also wish to express my delight at the clear indications of the minister's improving health. It was gratifying indeed, during the course of his address last Friday, to be able to observe that he is now on the road to full recovery of his former good health and aggressiveness.

During his remarks the minister made some reference to the Canadian Fisherman's Loan Act which was passed by parliament during last year's session. I am personally interested in this measure because I expect many beneficial results from its operation. However, I remain somewhat apprehensive that one probable drawback in this connection will be the over-caution with which the banks will avail themselves of this legislation. But, as happened with the Farm Improvement Loans Act, it is hoped that, in due course of time, the banks will again realize the advantages of these government-guaranteed loans. Indeed, it is important that this legislation be

made wholly operative if it is to provide all the assistance which it is intended to provide to our fishermen.

Following the introduction of this legislation in the house last year, we recall that an amendment was introduced enabling credit unions to participate in this loan project. This amendment followed representations made by the credit union associations before the fisheries committee. The opportunities requested in these representations were granted, and I trust our credit unions will now avail themselves of these new opportunities of serving their members who wish to take advantage of this policy. We must acknowledge that a great number of credit union members live in rural areas, where they have not been accustomed to deal with banks. We know, of course, that in many instances lack of capital may prevent the individual credit union from engaging freely in these transactions. We would expect, however, that through their federations suitable arrangements could be made to obtain the necessary capital to meet this purpose.

On different occasions in this house, Mr. Chairman, I have spoken of the urgent need of restoring the oyster industry along the southeastern New Brunswick shores. In the Buctouche-Cocagne-Grande Digue area alone at one time this industry represented an annual net income of over $30,000. It was similar in importance to the Richibucto area.

I wish to repeat now what I have already stated on other occasions in this house, that within the past few years our oyster beds have become completely unproductive. I know that the officials of the department are aware of these conditions and are endeavouring in every way to restore the productivity of these oyster beds. It was my privilege last summer to accompany two of these officials on a survey to secure new data on the situation. I only hope that these endeavours will be maintained. The restoration of the oyster industry along our shores is of great significance to the general economy of our fishing population.

I believe I should now stress before this committee the importance of having an educational program for our fishermen. I again recall with satisfaction the experiment undertaken two years ago among our lobster fishermen. This, I can assure you, has been greatly beneficial. It is remarkable that many of those fishermen who took exception to the scientific principles expounded at that time are now endorsing those self-same principles. I believe it is reasonable to assume that further beneficial results would accrue from a well sustained and well adapted educational program.

I must bring to the attention of this committee the necessity of providing our fishing centres with more freezing and storage facilities for fresh fish. A few of these plants are now operating along the shores and the results provide positive evidence of how profitable it would be to possess more of these plants. I am pleased to note that a co-operative enterprise at Richibucto has recently laid plans to engage in this modern process of fish conservation. I refer to the Cartier Co-op. which last year purchased a large, all-equipped plant, ready for operation. The project involves a number of fishermen from the northern part of Kent county. These fishermen must be commended for their foresight, courage, and endeavour, and they are well deserving of every assistance in the pursuit of their plans. This government is already informed of the organization of this project and will be expected, through its various service branches, to lend its full support and assistance.

Mr. Chairman, the question of the opening date for smelt netting in Kent county has always been a matter of great contention. Prior to 1955 the opening date for all nettings was November 1. About this time last year representations were made by groups of fishermen in my riding to have the opening netting date for gill nets advanced to October 15. I made representations to the department and three days before October 15 I received word confirming that the date I had requested, October 15th, had been granted not only for gill netting but for all nettings. Of course, I should not like to say anything against this measure of generosity exhibited by the department. However, for some reason or other it seems that certain classes of fishermen did not like the idea of having October 15 as the opening date for all nettings. They thought it was a little too early and since they were not entirely satisfied I was the one who heard about it.

Following my arrival here for the opening of the session I intended to make further inquiries about the matter, and submitted those to the parliamentary assistant. He was kind enough to give me a reply to my inquiries yesterday, and for that I want to thank him. I should like to insert in the reports of this house the table which the hon. member submitted to me. It is headed "Smelt Fishing Seasons in the Gulf of St. Lawrence", and gives the opening and

closing dates for gill nets, box and bag nets in the various areas. The table is as follows:

Smelt Fishing Seasons
in
Gulf of St. Lawrence

County	Gill nets Open	Gill nets Close	Box and bag nets Open	Box and bag nets Close
N.B.				
Restigouche	Sept. 15	Feb. 28	Sept. 15	Feb. 28
Gloucester	Sept. 15	"	Oct. 15	"
Northumberland	Oct. 31	"	Oct. 31	"
Kent	Oct. 15	"	Oct. 15	"
Westmorland ..	Oct. 15	"	Oct. 15	"
N.S.				
Cumberland ...	Oct. 15	"	Oct. 15	"
Colchester	Oct. 15	"	Oct. 15	"
Pictou	Oct. 15	"	Oct. 15	"
Antigonish	Oct. 15	"	Oct. 15	"
Inverness	Oct. 15	"	Oct. 15	"
P.E.I.				
Prince	Oct. 1	"	Oct. 15	"
Queens	Oct. 1	"	Oct. 15	"
Kings	Oct. 1	"	Oct. 15	"
Quebec (Except Magdalen Is.)	Sept. 1	Feb. 15	Nov. 25	"
Quebec (Magdalen Is.)	Oct. 1	"	Oct. 1	"

I gather from this that the intention of the department in fixing these new dates was to have more uniformity in the opening date. I assume we must subscribe to this principle.

The activities of the Department of Fisheries, Mr. Chairman, are of great interest to the people of the maritimes. Many depend upon fishing for their livelihood. It is true that the standard of living of our fishing communities has been greatly improved during the last few years, but a still greater measure of economic stability is essential. I urge upon the government, through its Department of Fisheries, that it use every means and put forth every effort to promote this aim.

Mr. Regier: I too, Mr. Chairman, am very pleased to see the minister in his seat and again performing his functions as Minister of Fisheries. I think I can safely say that, so far as the people of British Columbia are concerned, as long as we must have a Liberal government we would rather have the minister who is now occupying this post occupy it. I believe he has proved himself as able a cabinet minister as the people of British Columbia have ever had in Ottawa. His responsibilities are tremendous indeed. When he took over the Department of Fisheries the department was in for a rough ride from one end of Canada to the other. Fortunately we seem to have overcome most of the major problems for the time being that faced the fishermen in British Columbia.

However, as was pointed out a short time ago the fishermen on the great lakes still have that great problem of the lamprey and there is the problem of the rehabilitation of the whole fishing industry in the maritimes and in what I understand is supposed to be called the Atlantic province of Newfoundland. I am pleased to see that some progress is being made towards this rehabilitation of the eastern fisheries. However, I should like to call the minister's attention to a few other matters. I know that the Minister of Public Works is responsible for all major construction efforts of the federal government. However, I believe the Minister of Public Works, from the statements he has made, relies to a very great extent on his colleagues in the cabinet for informing him of the needs of their particular departments. I am hoping that the Minister of Fisheries will soon speak to the Minister of Public Works and outline to him the need for a fairly large number of rather inexpensive wharves suitable for the fishermen in the lower mainland areas.

I know that a great new fishermen's wharf is being built at the city of Vancouver. However, I have been given to understand that that wharf is already overcrowded before it is completed. Many of these fishermen live in the rural areas around the city of Vancouver and if small wharf facilities could be supplied to them, say, along the shores of Burrard Inlet or the Fraser river or Pitt river, I am sure these facilities would be very much appreciated.

I should like to call the minister's attention to another fact, though he may be already fully aware of it. I feel that some more public relations work might be done to develop closer understanding among the fishermen on the west coast of the intentions of his department. The fishermen of the Fraser river are not yet convinced of the need for the closing of the fishing above Westminster bridge. Some of them have lived there 40 or 50 years, have their homes there and are well established far away from the deep sea fishing. The minister's efforts thus far to convince them of the need in the interests of conservation to limit their ability to fish in the districts where they are used to fishing have thus far not been too successful and have not been as successful as they should be. Either his argument is very weak or not enough effort has been put forth in explanations to the men.

I should also like to reiterate the demand that others have made, I believe, in this house from time to time, that some move be made to establish our territorial waters in British Columbia from land's end in the north to land's end in the south, if I might put it that way. The people in my constituency feel that those waters that would be enclosed by such a line ought to be rightfully claimed as our own waters.

I was very pleased to read the minister's statement on page 1748 of *Hansard*, in connection with power development, in which he said:

> We feel, first of all, that every non-salmon stream in the province should be developed for power before a salmon stream is touched. In that respect, we feel that, before the Fraser is touched, that part of the Columbia river in Canada should be exploited to the full.

I hope the minister is very keenly aware of the fact that unless the federal government, which last year assumed some responsibility for power development on the Columbia river, undertakes some initiative in the matter of early development of power in the Columbia basin, the federal government may find the provincial government making a deal that will completely frustrate the good intentions of the minister. Because of the failure of initiative on the part of the federal government, we may see the British Columbia government take some action that most Canadians might have reason to regret.

I am pleased to hear the minister report that some progress is being made in the means that have been initiated by his department to aid fishermen and that loans are now available. I hope the use of these loans will be more actively advocated by the minister's department. I believe the insurance feature is coming into widespread use, and I know that the department has given serious consideration to making all fishermen eligible for unemployment insurance. There is a demand, as the minister well knows, all over Canada for the inclusion of fishermen under the Unemployment Insurance Act, and I hope that a year from now some satisfactory means will have been found.

The section of the house to which I belong, the C.C.F., will always support any Minister of Fisheries in any conservation measures that he will undertake. Within the limits of adequate conservation measures, we do, however, adhere to the philosophy of full production for the people of our nation, and going along with that, and equally necessary, is a policy of complete and full distribution of what we are able to produce. This applies to the fishing industry as well.

We are pleased to see the minister playing a very active role in his department in the field of international co-operation as regards the fishing industry. I should like at this time to express my appreciation of the fact that, as I have noted in the report on the Fisheries Prices Support Act, the department came to the aid of the cod fishermen and also to the aid of hungry people in the world in that they supplied over $900,000 worth of codfish to the hungry peoples of Greece and of South Korea. Only this morning I again had a look at the mail, which I receive so very often from people in my riding asking me to do what I can to see to it that Canada's surplus foodstuffs are used to feed the hungry people of the world. This action on the part of the prices support board, which is under the minister's jurisdiction, was a most notable one and will receive the hearty endorsation of the Canadian public at large. I note that the fisheries prices support board paid half of the cost of this large gift and the Department of External Affairs paid for approximately the other half. We could well have many more such programs.

However, the cause of Canadians using their surplus foodstuffs in the interest of aiding world peace, I feel, has been harmed somewhat by the deal that the fisheries prices support board made in the case of herring bloaters, and I should like to spend a few minutes on that. The report states that herring bloaters were purchased through the prices support board to protect the 1954 herring industry. Those who held unsold stocks of herring bloaters were advised to submit their offers by June 30, 1954. I notice as a result of the offers received the board purchased, under the authority of an order in council passed on June 30, 1954, a total of 72,929 boxes for which they paid 80 cents or 55 cents a box, depending on grade. These prices were paid, in the words of the report, "at producer's plant or in storage." According to the report, these herring bloaters were not sold at prevailing market prices because one of the reasons for the purchase was to preserve the stability of the market and therefore it was considered inadvisable to sell them at a reduced price. Eventually the bloaters were sold to a reduction plant to be used for the manufacture of fertilizer, and these 18 pound boxes of herring bloaters were sold at 9 cents a box.

It is to be noted that the freight charges on the herring to the reduction plant exceeded $9,000 and the net returns to the prices support board from the sale were slightly in excess of $6,000. One is rather inclined to ask why the government would pay $9,129.56 to haul a lot of herring to a reduction plant and sell them there for the sum of $6,563.61. It seems that not only were the fish given to the reduction plant for nothing but the government added some $3,000 in order to deliver the fish at the doors of the reduction plant.

When I received the report I put a question on the order paper. Question No. 73, as found at page 1190 of *Hansard*, reads:

> Before the passing of order in council P.C. 1954-931, June 30, 1954, authorizing the sale of

smoked herring at 9 cents per box for reduction purposes, was any inquiry made of the Department of External Affairs, the Colombo plan organization, or any subsidiary of the United Nations to determine whether this food could be disposed of for the relief of hungry people?

The answer I got was rather interesting. It reads:

The smoked herring—bloaters—in question were hard cured, smoked, round herring, a product largely unknown in fish consuming areas outside of the Caribbean. These fish were entirely of 1952 production, could only be classed as of standard quality, and were very dry.

There is more to the answer but before I leave this part of it I want to refer to the report of the fisheries prices support board in connection with this matter. The report says that some of the purchases were of choice quality and not of standard quality. The report of the fisheries prices support board also says that the purchases were of the 1952 and 1953 packs. The answer I received from the minister's department in reply to my question was that the fish were entirely of 1952 production. I see a conflict in the answer there and I also see a conflict in the answer where it is claimed they were only of standard quality whereas the prices support board says that a certain number at least were of choice quality.

Mr. Sinclair: I do not like to interrupt but I am so surprised that they should be called choice. Would you tell me again where they are described as choice?

Mr. Regier: If the minister will look at page 8 of the report he will see that in the first paragraph it says:

In all, 72,929 boxes were purchased by the board. Of these, only 257 were choice grade of the 1952 pack.

That is all it says, and it also says that with respect to 1953 production purchases were to be of standard grade.

Mr. Sinclair: That is right.

Mr. Regier: I think the minister will have to agree that his reply was not very accurately worded. Possibly that is more or less a minor matter. However, the minister goes on to say in his answer:

The Department of Trade and Commerce did make inquires in the Belgian Congo where the product is known, but no interest could be developed.

I was a little surprised when I saw that because I have never heard of the people in the Belgian Congo being very hungry and I had asked whether any attempt had been made to supply these choice and standard quality fish to some of the hungry people of the world. Therefore I asked a further question. I asked at what time and in what manner were these inquiries made and were any replies received. I got a reply from the Department of Trade and Commerce saying that on December 1, 1953, an airmail letter was dispatched to Leopoldville and a reply was sent from there on December 14, 1953, saying that no interest could be developed in the Belgian Congo.

My quarrel with the answer is that the date supplied me here as to the time of the inquiry indicates that this was merely a routine piece of information supplied by the Department of Trade and Commerce to the trade commissioners, certainly the trade commissioner in Leopoldville, as to the possibilities of finding a market where we could sell our herring. That was completely evading the question I had asked, namely, whether any attempt had been made to find any place where we could dispose of these admittedly good fish as a gift.

A few moments ago I endorsed the actions of the fisheries prices support board. When we have surplus fish, by all means let all taxpayers share the cost of helping the industry, protecting the price and using the fish as a method of expressing our good will to needy people in whatever part of the world they may live. However, I feel that in this case somebody blundered somewhere because these herring were bought with the taxpayers' money at 80 cents and 55 cents per box and at a subsidized rate were sold for reduction purposes at 9 cents a box. I do not think such action helps the cause of the fisheries prices support board or the intentions of the minister with respect thereto. It may be that the minister does not have enough funds available to supervise adequately what may be relatively minor operations in his department. In looking at the amount of money in the estimates for the various ministers for the coming year I notice that, next to the Secretary of State, the Minister of Fisheries receives the least of all.

Mr. Sinclair: Very economical.

Mr. Regier: I notice that he is even getting less money this year than he got last year. I do not know why he is asking for less money. Possibly the Minister of Finance may have been particularly harsh with the minister when he spoke to him. I think an amount of $12,753,283 out of a federal budget of $5 billion is hardly adequate for the fisheries industry in relation to the value of that industry and the great need on the Atlantic seaboard. I fully sympathize with the minister and I only hope that the cause of using surplus food supplies to help needy people in the world and thereby also help-

more because of deals such as the one involved here in the giving away of these herring.

(*Translation*):

Mr. Cannon: Mr. Chairman, I would not like to let the debate on the administration item of the Department of Fisheries estimates go by without speaking on behalf of the people of Magdalen islands.

On behalf of my electors and on my own behalf, may I first tell the hon. Minister of Fisheries (Mr. Sinclair) how glad we are to see him back in his seat. It is always a pleasure to hear his voice and see him in action. We have been quite worried over his accident and we have missed him very much during his absence. We are most happy to see him back among us and I hope that we will have many an opportunity of admiring his warm eloquence and of seeing that he has recovered his customary energy.

I am sure, Mr. Chairman, that the committee would be interested to be told of the output of the Magdalen islands fisheries in 1955. I am quoting from *A pleines voiles* (At full sail)—a very fitting name for a publication dealing with fisheries—figures pertaining to the total production of Magdalen islands for 1954 and 1955, showing the quantities as well as the commercial value of the products of the islands. I am pleased to inform the committee that in 1955 the total value of the products of the islands amounted to $2,609,000, while in 1954 it was but $1,602,000; it has therefore increased by over a million dollars. That very significant increase is due to the fact that fish production on Magdalen islands is undergoing great changes at present.

We used to concentrate nearly all our efforts on the processing of smoked or salted fish, but since 1955 we have been manufacturing frozen fillets. In addition, we export cod and frozen fish to the United States where it is used in making up the famous fish sticks.

An examination of those figures shows that 1,093,932 pounds of fillets have been frozen in bulk in 1955, while no such processing took place in 1954. If we look at the value of those products, we find that, precisely, the greatest increase was in cod, the production of which went up from $377,758 in 1954 to $545,137 in 1955. There was also an increase in plaice and sole, whose production has reached $133,635 in 1955 against an insignificant quantity in 1954, and these are the fish used in making frozen fillets.

As I do not wish to overtax the patience of my colleagues by reading all those figures, I would like to have permission from the house to place them on the record.

An hon. Member: Agreed.

Mr. Cannon: Here are the figures:

Total Production of the Islands for the years 1954 and 1955

Species	Different products 1955	Quantities 1954
Lobster:		
Crates of sterilized cans ..	6,072	8,342
Half-crates of frozen meat, sealed cans	9,833	3,114
Pounds of lobster shipped in the shell	829,360	707,233
18 lb. crates of smoked herring	146,166	109,887
260 lb. barrels of local and foreign bait	37,706	2,276
Herring:		
25 lb. boxes of frozen herring	44	104
100 lb. barrels of pickled herring	1,303	83
Tons of herring meal	2,220	nil
Tons of herring oil	88	nil
Cod:		
Pounds of salted boneless fillet	1,538,850	1,507,900
Pounds of salted raw cod ..	26,000	788,231
100 lb. crates of dried cod ..	1,100	2,215
Pounds of bulk frozen fillets	1,093,932	nil
Mackerel:		
200 lb. barrels of pickled mackerel	9,632	4,047
200 lb. barrels of pickled fillets	1,354	1,649
100 lb. barrels of pickled mackerel	296	nil
Crates of round canned mackerel	nil	378
Crates of canned fillets of mackerel	3,200	nil
Lbs. of frozen fillets of mackerel	5,808	nil
Lbs. of frozen whole mackerel	nil	40,240
Lbs. of fresh mackerel on ice	10,000	nil
Harbour Seal:		
Units	nil	3,590
Smelt:		
Frozen, in lbs.	9,120	53,900
Plaice and Sole:		
Lbs. of frozen fillets	445,450	1,190
Lbs. frozen round smelt	nil	4,400
Haddock:		
Lbs. frozen fillets	140,922	nil
Miscellaneous:		
Tons of fish waste meal (Gorton Pew)	300	nil

Here now is a table showing the main kinds of fish with their respective market value:

Species	Market value 1955	1954
Lobster	$ 897,318.00	$ 853,003.00
Herring	586,288.00	210,135.00
Cod	545,137.00	377,758.00
Mackerel	273,882.00	127,715.00
Plaice and Sole	133,635.00	negligible
Miscellaneous	173,719.00	33,398.00
Total	$2,609,979.00	$1,602,009.00

This development, Mr. Chairman, is due to the fact that recently new industries have been set up in my constituency, whereas an older well established firm, the Gorton Pew Company, which operates salt fish plants on the islands, has turned one of these into a frozen fillet plant. Moreover, I am told that this company, which operated its plants at Grindstone, plans to build a new one at Amherst. There is also in my constituency a company by the name of Canapro, which produces fish meal.

I am glad of this improvement and diversification of our production but, at the same time, I wish to point out that the change should not be too radical. We should not produce frozen fillets and fish meal only. We should continue also to produce smoked herring and salt cod, as we did in the past, because we must keep our traditional outlets for these products and, as the old proverb says, we should not put all our eggs in the same basket.

If we carry out too radical a change and if our market for frozen cod fillets and fish meal should slump, we might find ourselves in a very bad situation if we did not carry on with our salted and smoked products industry as we have done up till now.

The figures I have just quoted to the committee, Mr. Chairman, amply show that progress is being made in the Magdalen islands. I am glad to point them out and to express my appreciation to the government, as well as to private enterprise, for all they have done towards increasing the yield of the island fisheries. However, there is still much to be done in this field and, merely to give the committee an idea of how much remains to be done, I shall quote a paragraph from a letter which has come to me from one of my constituents:

> To give you an idea of the average income of the islands cod fishermen, here is the case of two associated fishermen of my acquaintance, whose catch for the last fishing season amounted to 40,000 pounds of fresh cod and 12,000 pounds of salt cod, sold for a gross income of $1,800.
>
> If you deduct from that amount the costs of equipment, upkeep of the boat, fuel, salt, etc., the individual net income is less than $600. The situation is such that a great many young men who like fishing have to go outside the islands to find a trade far less interesting but far more profitable.

That is why, Mr. Chairman, I submit that we must continue to help our fishermen—

(Text):

The Deputy Chairman: Order. I hope this is convenient for the hon. member. I would point out that it is one o'clock and I do now leave the chair.

(Translation):

Mr. Cannon: Very well, Mr. Chairman, I will continue after recess.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Cannon: Mr. Chairman, at one o'clock I was saying that the income of the Magdalen islands fishermen was very low and that we should continue to try and help them increase it. I would have a few suggestions to make to the department in that connection.

During the last session of this parliament we passed an act to help fishermen to get loans in order to buy equipment. That act is now in force. However I have received complaints from my electors who claim that it is not much help to them on the ground that in order to be able to borrow from the banks on part of their equipment they have to pay in cash at least 30 per cent of the purchase price for new equipment and 40 per cent for used equipment. They tell me, on the islands, that these terms are not favourable enough and that they do not really help fishermen.

Those who have the means to pay such large cash amounts can deal directly with the merchants who are ready to sell them their goods for 30 or 40 per cent down. If we really want to have a law which will help the fishermen to buy the equipment they lack, through loans from the bank, the minimum down payment should be reduced.

The hon. minister said in his speech that the number of applications for these loans was comparatively small. I submit, Mr. Chairman, that this shows the value of my argument and that the rather small number of applications is due to the facts I just mentioned to the committee.

Now, the federal government allows the fishermen a grant of $165 a ton when they build new fishing vessels. We even find in the estimates an amount of $200,000 to that effect. Unfortunately, the act is not administered by the federal government, but by the governments of the various provinces, and there is not enough co-operation between the federal and provincial governments in the selection of those who are entitled to these grants. The decision is up to the provincial government. Well, without going into details, it can easily be understood that the choice the provincial government of Quebec makes with regard to the people entitled to the grants is not always the one I would make myself. I therefore suggest that the federal government control the allocation of these grants and decide as to whom they should be made.

As a matter of fact, this situation brings about some extraordinary anomalies. For instance, if a fisherman wants to get a grant of $165 for his fishing vessel, he has to go through the provincial loan office and borrow from the provincial government, even if he has enough money to pay the difference. In other words, our fishermen of the Magdalen islands cannot get the federal government grant of $165 a ton without having to borrow from the provincial government, even if they don't need to do so. Then, what happens when a fisherman has all the money he needs, except for the $165 a ton grant, is that he borrows $1 from the provincial government in order to qualify for the grant.

Mr. Chairman, I submit that we have here an anomaly of which we should rid ourselves. I understand that, when this grants policy was agreed upon, the Department of Fisheries didn't have as many employees, and its administrative services were not as well organized as they are now, but I feel that with its increasing importance, the greater number of its employees, its improved administrative services, it is time this department look after the distribution of these grants.

Mr. Chairman, I wish also to deal with the matter of lobster trap insurance. This insurance brought good results in my riding. Some 30 per cent of the lobster fishermen have taken insurance; you may think that this figure is very small, but, as a matter of fact, it is the largest figure obtained in all Canada. I am told that among fishermen, those on Magdalen islands have been the most numerous to avail themselves of this insurance. On the other hand, I have heard it said that the possibility of abolishing this kind of insurance may be considered in view of the small number of fishermen who use it. I wish to warn the department against such a step, because I believe that this insurance act affords a valuable service and that with a little advertising among fishermen in other parts of the province of Quebec and the maritimes, it would be possible eventually to convince them of the necessity of this insurance.

I was pleased to hear the hon. minister state that fish consumption was increasing and I congratulate him as well as his department. I am positive that this increase is the result of the enlightened efforts made last year to popularize the consumption of fish. As a matter of fact, we have had the opportunity to appreciate the efforts made by the Department of Fisheries when we were invited to relish the delicious dishes prepared with the products of our fisheries. I want to mention, not only the meal then served to us, but also the new recipes given to our housekeepers. I know that some of these recipes were given to the wives of our members of parliament and some of my colleagues have confessed that the results were simply marvellous. I congratulate the minister and his department and I hope that they will continue to popularize the consumption of fish.

Mr. Chairman, in order to encourage such consumption, to provide further education for the fishermen and to foster modernization in general, I submit that larger amounts should be spent on education, the opening up of markets and the political economy of the Department of Fisheries. I note with surprise that the amounts for those items have decreased somewhat this year. In my opinion, such savings are not wise; they will not give satisfactory results. I submit the amounts should have been increased rather than decreased, in order to open up new markets and help the work of the department.

Now, I read with satisfaction in the minister's speech—I do not know whether it was in last year's speech or in the one he made this year because I read both—about the investigation work he has ordered, to find new fishing banks or new scallop beds. Scallops are quite popular and there is reason to believe that if more intense research were done, new scallop beds would be found in

the gulf of St. Lawrence, as well as other herring banks; we know that there are large quantities in the gulf of St. Lawrence, but their exact location is not known.

While I am on the matter of the gulf of St. Lawrence, I would like to mention the problem of territorial waters. Several hon. members have referred to this matter and the minister himself spoke briefly on it, which shows that it is an important problem. I believe that Canada, at the United Nations and elsewhere, should insist on the settlement of that matter of vital importance for our fishermen and should demand that the limit of territorial waters be set at at least 12 miles.

In this connection, may I suggest that Canada should insist that all the waters of the gulf of St. Lawrence be considered as Canadian territorial waters. A line should be drawn from the southwestern tip of Newfoundland to Cape Breton and it should be laid down that within this line all waters are to be Canadian territorial waters. After all, the gulf of St. Lawrence is surrounded by Canadian territory and we would be justified, I think, to designate that part of the gulf of St. Lawrence as Canadian territorial waters reserved to the fishermen of this country.

I could not bring these remarks to a close, Mr. Chairman, without returning to the subject of unemployment insurance for fishermen. The house knows that ever since I have been sitting here I have unceasingly attempted to obtain unemployment insurance for the fisherman. Last year I managed to have myself temporarily named to the committee on industrial relations and to have adopted by this committee a very precise recommendation according to the terms of which the house was requested to extend unemployment insurance benefits to fishermen, as quickly as possible. It was even recommended that salaried fishermen be immediately allowed to come under this act, and that the question of what could be done for the others should be left for later consideration. I know that it is not under the direct jurisdiction of the Minister of Fisheries, but it is a matter in which fishermen are interested and I feel sure the Minister of Fisheries will look into it actively. It is to be hoped that this situation will not last too long a time and that we shall soon see practical results.

Mr. Chairman, may I suggest that there should be closer co-operation between the Department of Fisheries, the Department of Transport and the Department of Public Works, which I often have to approach to obtain the construction of harbours and breakwaters. It seems to me that, if the Department of Fisheries saw fit to give us its support, we would be a little more successful, and that is why I suggest greater co-operation between those departments.

Incidentally, I take this opportunity to call the attention of the hon. Minister of Fisheries to the urgency of digging a channel at Oyster bay and of putting up a breakwater at Grosse Isle North and another one at Hâvre aux Maisons as well as at Anse Millerand, Anse à la Cabane and Anse au Ruisseau. A breakwater would be a great help to the fishermen of those three localities. We also need a breakwater at Premier Etang. Once again, I lay before the hon. Minister of Fisheries these requests from the fishermen of the Magdalen Islands and ask him to make every effort to have those works undertaken as soon as possible in the interest of the fishermen.

In conclusion, I once more congratulate the hon. Minister of Fisheries on the remarkable way he got over his injuries and wish him, on behalf of my electors of Magdalen Islands, a complete recovery as soon as possible.

(Text):

Mr. Hahn: Mr. Chairman, I wish to express the good wishes of this group to the Minister of Fisheries who is back with us once again and looking well. I sincerely hope that no further complications set in and that he will continue to take his usual place and look after his department, as he has so ably done in the past.

This morning the hon. member for Burnaby-Coquitlam indicated he hoped that some further expenditures would be made on wharves and that the minister would talk to the Minister of Public Works to see whether or not something could be done in that way. I would like to echo those sentiments because in my riding there have been a number of instances where from time to time fishermen have found it difficult to get their boats to the wharves owing to dredging that needs to be done on the Fraser river.

The hon. member for Burnaby-Coquitlam did make a statement which I am sure he did not expect me to pass by without comment. He said: "The federal government may find the provincial government making a deal that will completely frustrate the good intentions of the minister." He was referring to the building of power dams on the Fraser river. I should like to assure the hon. member for Burnaby-Coquitlam that he need not

have any fear along that line. I am sure he should be satisfied by now that there is no man who has the interest of British Columbia industry—and the fisheries industry is one of those, and a major one, I might say—at heart so much as has the premier of British Columbia. I believe the Minister of Fisheries himself made reference to that when he spoke last Friday, although it was not my privilege to be present to hear him. He said, as reported at page 1751 of *Hansard*:

> The provincial government has also been most helpful. They have announced that no licences will be granted on the Fraser river for a power dam until the problem of the movement of fish has been solved.

I am sure that if the Minister of Fisheries is satisfied that the provincial government of British Columbia will not hinder our fishing industry, certainly the hon. member for Burnaby-Coquitlam should take that as evidence that nothing will take place in that regard.

Before carrying on with the text of my comments, I wish to thank the hon. member for Fraser Valley for taking my part in the debate the other day when the minister first spoke; but I must say there is a certain advantage in speaking at this time. I have had the opportunity to discover what the minister himself had to say on certain questions and the advantage of knowing that many of the questions I would have asked have already been answered. This gives me the opportunity to revise my remarks in the hope that I shall not be repetitious in the debate.

There is one thing that should be emphasized, though, and it has been brought out particularly by several hon. members, including the hon. member for Fraser Valley, who asked that unemployment insurance be made available to the fishermen. I know this does not come under the jurisdiction of the Minister of Fisheries, but he should use his influence, as he has in the past, to try to get a greater number of fishermen under the terms of the act. It is a fallacy to say that no fishermen are under the act, because certain part-time fishermen who do qualify for part-time insurance are entitled to it and they are getting unemployment insurance at this time provided that they fall within the group that was taken care of under section 119 as revised by the Minister of Labour earlier. However, I am satisfied that the minister is cognizant of the fact that this provision is not sufficient in itself, and that section 45(2) should be changed, or its complete deletion should be striven for at this time.

I feel that it would be to the advantage of the fishermen themselves and the Department of Labour if it were made possible to extend the terms of the Unemployment Insurance Act to cover a certain section of the country to which I shall refer later. I think an effort should be made to see whether or not it would be feasible to make these workmen recipients under the terms of the Unemployment Insurance Act, with slight modifications, of course.

There is one matter which I think I should mention and that is the co-operation I have always experienced in my dealings with the Department of Fisheries and the minister of that department. I must say it is one department which sends out information bulletins regularly and I seem to get my share of them. If I have ever required information I have never failed to get it; all I have to do is ask for it, although I must admit that I sometimes find it a little difficult to reconcile what appears to be conflicting information. I shall refer to that more specifically in a short while.

One of these bulletins interested me very much. I do not think the minister touched upon this matter and he might wish to comment on it later. I refer to the December 1 issue of a bulletin issued by his department through the office of Mr. Campbell. This has to do with the progress report of the fishermen's indemnity fund. It says:

> Benefits under the fund were increased in British Columbia in December, 1954, when the basis of payment of total loss claims was increased from 60 per cent to 70 per cent of the appraised value of the vessel. At the same time the deductible percentage was lowered from 30 per cent to 15 per cent.

Both of these factors are important and highly commendable.

There was one factor in the report, however, that did give me some concern and that is the fact that certain areas were not paying their way, one might say. I do not wish it to be construed that I am suggesting each area should pay its own way because insurance does not work on that premise. However, I found it interesting to note that of the boats that were insured, British Columbia stood highest in the group; the value was much higher in British Columbia than in any other province. At the same time British Columbia was the only province which made a profit; something like $32,694. Each of the other provinces lost money; an over-all deficit of $28,807. The bulletin does say, however, and this is very important:

> It should be pointed out that losses on the Atlantic coast have been unduly severe as a result of two hurricanes; one in 1954 and one in 1955.

I was hoping the minister would comment on that matter, but not specifically on the monetary loss. More particularly I hoped

he would comment on the loss of life in connection with the losses of vessels. I am satisfied that too many people in Canada today have the impression that fishing is a pretty easy way of life for a man and I would like the minister to comment on that. If no loss of life has occurred in this connection possibly the minister could give us an indication of the loss of life of fishermen at sea.

I mentioned earlier that the reports I received gave me considerable concern because they did not appear to agree in some instances.

I have here a report dated February 9 which was also issued by the Vancouver office of the Department of Fisheries concerning salmon spawning. I intend to read just one paragraph from the first page:

> Outstanding feature was the failure of the chum run to almost every section of the coast. Immediately evidence of this condition could be perceived, drastic conservation measures by special and early close-down of net fishing operations were applied. The run proved to be not more than one third of normal and definitely was the lightest return in the history of the fishery. Despite the drastic regulatory restrictions—

I would like the minister to comment on that phrase, "despite the drastic regulatory restrictions".

> —the escapement for reproduction purposes was, with few exceptions, exceedingly light, and with present information the situation definitely will require special conservation measures four years hence in an effort to rehabilitate this particular cycle. The spawning escapement of the cycle year 1951 was such that a normal run was to be expected; and because of its coastwide character it can only be assumed that the failure was the result of very unfavourable survival conditions either in the fresh water or later during existence in the ocean of the progeny of the 1951 brood year.

I would ask the minister to comment on that particularly because during the past two years it has been the privilege of the hon. member for Fraser Valley and myself to draw to his attention certain changes he proposed in the regulations with respect to closures on the Fraser river. I should like to again repeat the question the hon. member for Fraser Valley asked the minister earlier. Does the minister feel that the closure of the Fraser river above the Westminster bridge is the answer to the problem? I am satisfied that he will have had sufficient opportunity by this time to have studied this problem at great length. That is the question which I think requires an answer. If closure is not the answer to the question, I wonder if the minister would consider a modification of his earlier proposals made in the past two years.

There are other questions that enter into the subject of conservation in which I am vitally interested. I wonder if the minister could define for us the number of fish that were caught by gill netters in the season during which the river was open for fishing above Westminster bridge in former years as compared with this year and last year, let us say, in order that we may have a more complete picture. I am not aware whether or not the department differentiates between the number of fish which gill netters and seiners catch, but in view of the fact that such a conservation scheme is in effect and because there was such violent opposition to it in past years, I think the fishermen are entitled to know what change has taken place in the net result. I think, too, that we are entitled to this information.

In his address the minister touched on the question of fish caught in Pacific waters, but that is another matter with which I wish to deal. As I understand it, as a result of the meeting at Tokyo a certain understanding was reached with the Japanese and United States fishermen. I wonder if the minister could bring us up to date on this particular question and tell us what has transpired since that time.

In view of the minister's visit to the U.S.S.R., at which time he was unfortunate enough to have experienced an accident, I would ask him to comment on what view we hold towards U.S.S.R. and what their view is towards us in relation to fishing practices and what is proposed to be done about the matter. I raise this question because I notice that the fishing vessel owners' association recently intimated their desire for equality of catch between gill netters and seiners, if I properly interpret the account set forth in the February 1956 bulletin of the association.

I said earlier that reports form the Department of Fisheries conflicted with what certain other parties had in mind. One thing that has come to my attention particularly, in respect to a matter that gives us great concern and also causes great concern on the Pacific coast, is mentioned in the fisheries magazine and has been mentioned in many other bulletins issued by the department, that is the flood conditions that take place on the Pacific coast in the spawning area, which virtually wiped out some 60,000 pinks and 30,000 early chum salmon in the Chehalis river. That was not the only river affected. The report states:

> The Chilliwack river system including the Vedder river suffered less disastrous results, but even here losses of up to 50 per cent of pink and early chum spawning will likely materialize.

The gravity of this situation cannot be overemphasized. We cannot have fish if we do not have the spawn to begin with. If they happen to die en route, it is just as bad if they die as the result of excessive rainfall as

if they go over the top of the dam. So I should like the minister to comment on that phase and relate it, as he is so capable of doing, to the question the hon. member for Fraser Valley raised with respect to the bulldozer helping the fish to return home to spawn.

There is another point in the same article from which the hon. member for Fraser Valley quoted. It is the following:

> Even though the Fraser river is navigable for fish for hundreds of miles, there are comparatively few places which salmon choose for their spawning grounds.

In one of the other articles, we find a notation that on the Capilano and Indian rivers, because of the forest cover along the rivers, the spawn were not lost to the same degree as along the Chehalis, where the trees have been taken away from the mountain. Because we realize that the spawning grounds are not so plentiful, I was wondering whether any thought had been given to conserving the woods of those areas where we do not have the fish spawning, and having those particular areas kept wooded at all times so they will not suffer from excessive wash coming down the mountainside.

There is a conflict in the reports, however, in regard to the fact that a certain Vancouver publication—I believe the Vancouver *Sun*—mentioned the precarious position of the coho salmon spawning and in this instance the fisheries report—and it was part of the same one that I mentioned earlier—made reference to that on the 9th of the month. I received a follow-up from the minister's office explaining the complete story, in so far as the public was concerned at least. It was indicated that the coho situation really was not too bad. It took the northern coast, for instance, from Smith inlet north to the Alaskan boundary, including the Queen Charlotte islands, and it said that the spawning generally was satisfactory. It said that in the Butedale area the seeding showed a marked decline and in the lower Queen Charlotte islands it was light. In the Vancouver island area, it said that some areas fared better than others. Then, breaking that down, it said:

> Alert bay area, Cowichan area and Kyuquot area were above average. Pender Harbour was satisfactory; Quathiaski and Comox fairly good, but less than the brood years. Barkley sound, Nootka, Quatsino areas were light. Nanaimo was very light. In the Fraser river system, however, several of the areas showed a marked increase over the brood years.

This is very interesting in view of the fact that we have this statement made by apparently responsible individuals outside the organization itself who went into the coho situation. It goes on:

> These included Kamloops, Yale-Merritt and the Mission-Harrison and Chilliwack. Unfortunately a good early seeding in the lower sections of the Fraser suffered extensive damage from the phenomenal rainfall in early November and resulting flood conditions.

Breaking that down into areas, I find there were five areas. One was satisfactory, which I consider to be a normal year. I do not know whether or not my definition of the term "satisfactory" is proper, but that is what the minister's department calls it, and I should think that is in order. One area showed a marked decline. Another was light. Then there was the statement that some areas fared better than others. I find only one of those indicated as being satisfactory. In the group about which it is stated that some areas fared better than others, only one is satisfactory and all the others range from light, fairly good, and less than the brood years, to very light. I would not call that whole area satisfactory, under those circumstances.

Then there was another area with a marked increase over the brood years. That was the last area I mentioned, in the Fraser river system. However, from the earlier report I read to you in respect to the area that was flooded, I find that the Chilliwack region, the Harrison lake region and the Pitt river region were all in that area—one-half of the area, actually—and the spawn there was from 50 per cent to 90 per cent lost. That would indicate, then, if my analysis of the situation is right—and probably the minister can show me where I am wrong, because he has all the facts and figures at his command—that we are not warranted in suggesting to the fishermen that we do not face a serious condition in so far as the elimination of our cohoe fishery is concerned. I am somewhat concerned about that.

Possibly my conclusion may be wrong, but I think we should be privileged to get more information from the minister on this. I should like to ask the minister to comment on this aspect in view of the fact that there seems to be a notion abroad among the fishermen that there is a confidential report that has not been made public with respect to this matter. I am not accusing the minister or his department of withholding information. I just think we have the right to know, and I shall look forward to hearing his reply to that particular question.

There is just one other item with which I wish to deal at this time. I intend to spend more time on the power dam situation and its effect on the fisheries on another occasion,

but now I turn to a release from the dominion bureau of statistics in its daily bulletin of Monday, 6th February. It is headed:

Catch of Sea-fish Down Nine Per Cent In Volume and Ten Per Cent In Value In 1955.

It goes on to say:

Canadian sea-fishermen landed nine per cent less fish in 1955 than in the preceding year and the value of the catch fell about ten per cent.

Here again we have a primary industry that is losing some of its cash returns. It is somewhat different from the agricultural situation. Here it is not a matter of surplus, but we have a difficulty in catching sufficient fish to keep our stocks, as we would like them, at a maximum. In his address, the hon. member for Fraser Valley mentioned that we are pleased that we do not have a surplus of fish on hand and we are able to get rid of our stocks and our canned supplies. I do not necessarily agree with that point of view. I always like to have a few cases of things on hand just in the event of next year not being too good. In this instance it would not help the fishermen in any event because they would not get any greater cash return. However, the fact of the matter remains that as one who was in the grocery business for many years and saw my customers denied the right to buy a tin of sockeye salmon I feel that a few cases of sockeye kept on hand are not going to hurt at all. We should not have too much difficulty disposing of them. Let us not make it too much of a practice.

In the next paragraph I find the following with respect to the declines:

In 1955 the values of all three major Pacific fisheries declined appreciably from their 1954 levels: salmon by 22 per cent . . . halibut by 38 per cent . . . and herring by 9 per cent . . .

I believe those are the three chief fisheries of the Pacific coast and as such they are bound to have their effect on so many people not only in my community but also in the community of the Minister of Fisheries. For that reason I think we should put greater and greater emphasis on the need of a greater degree of co-ordination and co-operation between the minister's department, the Department of Labour, the Department of Public Works and every other department that might have anything to do with the matter in order that these people may continue to get as big a return as possible from their investment. The fishing vessel owners association have indicated that they feel they have some responsibility to the gillnetters and I believe the department should also realize that it is not only the fishing vessel owners who are faced with a problem with respect to the gillnetters which they want to resolve but that the department also has a duty in this regard.

If conservation does not bring about an improvement over the situation we had a couple years ago then, while I do not necessarily say that it is necessary to go back to that situation, we should determine means whereby we can be sure of having a supply of salmon each year.

There is no object in protesting, as the hon. member for Burnaby-Coquitlam did, about dams and so on if we have no fishing industry to protect. The objective is to have a fishing industry. Maybe the answer should be to let the fish go up the river and spawn first and then go out and catch all we want to afterwards.

Mr. Stuart (Charlotte): Mr. Chairman, I too should like to congratulate the minister on his speedy recovery from his serious accident and assure him that all members welcome him back to the house. The manner in which he presented his statement when these estimates came before the committee indicated very clearly, I believe, that the Minister of Fisheries has great knowledge of his department which is of great value to those interested in the fishing industry.

During the short time the minister has headed the department a great many improvements have been made which the fishermen perhaps had expected over the years but concerning which no action was taken until recently. In that regard I refer to the fishermen's insurance plan which was introduced a short time ago. Obviously it was practically impossible for the fisherman to insure his fishing boat. The rates charged by the average insurance company made it prohibitive. With the plan now in effect almost any fisherman can insure his boat, which to him is his bread and butter. The rates being charged by the department are most reasonable, and at the same time I believe that the losses are very small. The insurance plan is a sound plan, and I can assure the minister that the fishermen in the area from which I come appreciate this very much.

Only last year a plan was introduced whereby those engaged in the salt fish industry were assisted. The federal government undertook to be responsible for 50 per cent of the cost of salt. There again I wish to assure the minister and the officials of his department that this was a move in the right direction and one which is appreciated. Not only is the contribution of 50 per cent of the cost of the salt beneficial to the fishermen but the fact is that many fishermen have been encouraged to salt their own catch. Previously they would sell their catch for 2, 3, or 4 cents a pound, but when this plan was introduced many of them decided to salt a greater portion of their

catch themselves, which means greater revenue to the fishermen. The fishermen of the area from which I come are most appreciative of this action on the part of the government.

The fishermen's indemnity act which went into effect a short time ago has not, of course, been in operation for a sufficient time to find out just what benefits the fishermen may expect. I realize that the banks in the maritime provinces have not had any experience with this type of loan in the way that western banks have had with the farm loan act. Therefore it will perhaps be some time before the scheme is organized properly, but I do hope that it will provide the assistance for fishermen for which it was intended. I am sure that over a period of time it can be worked out in such a way that it will be of benefit to all fishermen.

Another matter I wish to mention briefly is the kitchen over in the west block. In the past two or three years I have attended two or three luncheons there, and I believe that all those taking part in that organization deserve a great deal of credit. I must say at this point that in the ten or eleven years I have been here there has been a great improvement in the serving of fish in the city of Ottawa. The fish served today is far better than two years ago, five years ago or ten years ago. I believe the fisheries department should receive some credit for the improvement. The kitchen in the west block should be maintained and expanded, if possible.

I noticed in a pamphlet put out by the fisheries council a few days ago, which I had intended to bring with me, it was stated that in the city of Toronto and other places they had been given a great deal of encouragement to carry on this type of informational and educational work in connection with the fishing industry. It has always been my belief that in order for our fish to take the place they should take with the consumers of this country we must continue to produce a better article in a fresher state and see that it is cooked properly. I feel that the great disadvantage we have had throughout the whole country has been the fact that those who would have liked to have fish in their homes were not given any information as to how it should be prepared.

Until the last few years, in many cases they got fish which was not fresh and once it had been served they were not satisfied with that particular type and did not buy it a second time. With the facilities we have today for bringing fresh fish to our cities where the great bulk of the population is, I believe that every encouragement should be given the industry to produce a better article, get it in the homes and keep it there. I know that encouragement is being given the industry by the fisheries department and the biological board, and I believe we are doing a very good job in that regard at the present time.

The fishermen in the maritime provinces also appreciate the accelerated effort by the department in the important field of research. They are doing a very fine job which I know is appreciated by all fishermen. Last fall I attended a meeting of officials of the fisheries department of this country, those of the United States and others connected with the industry at a place called Hinkley's Point in the state of Maine. It was one of the finest international gatherings I have ever attended. Each individual spoke very frankly. The main discussion at that time was a survey in connection with the herring and sardine fisheries on the Atlantic coast. I believe the officials of the two countries and those engaged in the canning industries of the two countries are of one mind. It is a fine thing to find the officials of the fisheries departments in these two countries ready and willing to sit down and work out these problems together, in co-operation. It will save a great deal of repetition as a result of one country doing the same work as the other one is doing. When I found that type of co-operation there, I was convinced that the survey will be a success. I know that the departments are extremely anxious that it be carried on. I have discussed with the minister a similar survey which was conducted on the Pacific coast a few years ago. According to reports that we received from that section of the country it was most successful, most advantageous to the industry and most advantageous to the department. We shall be pleased to see that type of investigation carried on on the Atlantic coastline.

By other hon. members who have already spoken mention has been made of the serious shortage of clams in that area. We all realize that the clam industry has never been a great producer of wealth. At the same time it was an industry that employed a goodly number of persons during the winter months when dollars were not too plentiful. I agree that the situation today is serious. At the same time I believe that the green crab which has infested our waters in that area during the past few years may be to a great extent responsible for the situation. Then again, the great improvement in the prices which were paid to the producers has encouraged a much greater number to be employed in that industry. I know the department is doing everything possible to try to find some answer to the problem. I hope they may be able to come up with something which may be helpful.

Only a few weeks ago—I believe it would be seven or eight weeks ago now—I was at the biological station in St. Andrews. At that time they put on a film strip which portrayed the dragging of scallops. I have mentioned this matter to the minister. In my opinion it was one of the finest types of work that the department could ever hope to produce which would be helpful to those engaged in the industry. The way in which the light from the ship was regulated on a sled behind the drags made it possible to sit and watch the scallops being dragged off the ocean bottom. It gave a clear picture of the way that the drags might be improved. I myself have dragged some scallops. With the information provided by this film strip I know that I could today devise a drag that would drag more scallops than those I used a few years ago. Work of that type is most helpful to the industry; it is most interesting to the industry and it means dollars to those engaged in it. We have not the scallop fishing they have in Digby and over that way, but our scallop fishing this past winter has been encouraging enough that we have had with us at least two or three boats from Digby dragging in Charlotte county area waters this winter. I trust the department will continue with this type of work because it will be found that it pays dividends and is most helpful to those engaged in the industry.

I also wish to say that the information compiled by the biological board in St. Andrews —and I take it for granted that the same is true with regard to the other stations—has always been made available to the industry. They have always tried in every way to be helpful and to encourage those who are trying to produce a better product. We have in the little town from which I come the largest exporter of lobsters perhaps on the North American continent. The assistance it has been able to obtain from the biological board has been most helpful. As a result, within the last few years, tanks have been installed in many of the larger restaurants in different parts of the United States to which fresh lobsters are shipped. They are kept alive in glass tanks. Those who come there and who like to have a lobster dinner—the best food in the world—can go to the tank, pick out the lobsters they wish, have them cooked and served to them in that restaurant. The biological board are to a great extent responsible for that improvement. I believe it will be of great assistance in building up this industry and in creating a greater demand for this wonderful food.

At the present time lobsters are being transported by trucks from the Conley lobster plant in St. Andrews as far as Florida. They are making weekly trips with live lobsters from St. Andrews to Florida. This is something which indicates clearly that even though the lobster is a most perishable article, with the proper facilities it can be placed in the restaurants and in the homes of a great portion of the population of this continent.

I have one suggestion to make in this regard. Conley's Lobsters Limited at one time owned a small lobster pound on the small island, namely Banes island which is in the Deer island area. When their business began to grow it became necessary to find larger quarters. This small pound was abandoned and has not been used for several years. The officials of the company assure me that that pound could be placed at the disposal of the biological board at any time they might wish to take it over for purposes of experimentation. I believe the matter should be looked into carefully. I am still one of those who believe that this industry can be helped greatly by looking after our spawn and small lobsters. I should like to see the department take an interest in this pound, which I know can be taken over without any cost to the department other than that of the personnel who look after it. The experiments that could be carried on there would be carried on in a place where the fishermen themselves could see them. I believe the benefits that might come from such experiments would be worth while.

I have just one bit of criticism to offer. During the past year the seining regulations in connection with the sardine industry were changed by the department. At the outset I wish to say that I did not oppose that change. I was opposed to it but a great number felt that it was an experiment which should be tried for one year. For that reason I did not oppose it. However, I was of the opinion that it would be harmful to those who are operating sardine weirs in the area, and I am still of that opinion. Nevertheless, it was carried on during the year 1955. I received a great many protests from fishermen all over the Passamaquoddy bay area. I do not think for a minute that it is the quantity of fish they catch that is harmful. It is the commotion that goes on all night in the areas where these weirs are built that is harmful. I am going to suggest to the minister to give serious consideration to giving these fishermen 1,500 feet or 2,000 feet protection instead of 1,000 feet. With 1,000 feet protection from a sardine weir, with this work going on all night, the commotion is most harmful. Those who build weirs place them in one particular spot and are obliged to wait until the fish

come to them. I believe this is one matter that should be given serious thought.

I was informed today—and I am not in a position to state whether or not this information is correct—that with respect to sardines that were on the north shore—that is the area between what is known as White Head or Bliss harbour and point Lepreau, a school of sardines has been there since last December. Purse seiners have been in the area all winter. They have been able to provide the canneries in that part of the county with good supplies—nearly a daily supply of sardines. This fact is very much appreciated by those working in the canneries and who were unable to work last summer owing to scarcity. This has provided a very good income for those engaged in purse seining. I do believe that that school of fish has pretty well left the north shore at this time. The report I got this morning was to the effect they had found sardines in the Passamaquoddy bay area and the seiners were in there.

I did not communicate with the minister because the house met early this morning but at one time the regulations we had governing the area in which purse seiners were allowed to operate was from White Head, near Bliss harbour not including the St. Andrews bay area to point Lepreau. The seiners were not allowed to go inside St. Andrews bay. If purse seiners are operating in St. Andrews bay today I know the telegrams, telephone calls and letters I may expect in volume. I really believe that it should be stopped. There are sardine weir fishermen in the Passamaquoddy bay area right now who are preparing their weirs for spring. There is great expense in connection with these preparations, and I do believe they should be protected. Again I would say it is not the quantity of fish that the seiners will get in that area, but it is the breaking up of the schools of herring. They may be difficult to find after the seiners have been amongst them for a few weeks.

This letter I received today is from a fisherman who has been engaged in the industry for 35 years to my knowledge. He pointed out what we may expect, and in his letter today the forecast he made has proven true. There were large schools on this north shore during December, January and part of February, but the catch during these last few days has been practically nil. Now, in my humble opinion the seiners have not caught 5 per cent of the fish that were there; I do not argue that. As I have said, it is not the quantity that they catch but it is the commotion and traffic through the places where they stay winter after winter that does the damage. I might repeat what has been said to me on many occasions, that 85 per cent of the sardine fishermen are opposed to this. Again, as I stated earlier, hundreds of people have been employed in these canneries who needed the employment. It is very difficult to strike a balance and know just where to draw the line; no one realizes that more than I do. I spent several winters on that coastline in this very type of work. I realize that those who go out in the winter months to make their bread and butter on this coastline earn all they get. But the feeling is very strong in connection with purse seining, and in the opinion of a great many it breaks up the schools of fish so that when spring comes it is impossible to find them anywhere. This is a very serious matter.

Years ago the sardine fishermen in the area from Pocologan down the north shore to Bliss harbour, Back bay, Deer island in St. Andrews bay area, depended to a great extent on the spring school of herring for a great portion of their annual income. During the last few years we have not had a spring school of herring, and as I have said many believe it is the winter seiner who is responsible for it. I have not any idea myself other than I know that, before the winter seining was introduced, somewhere in the area I have mentioned we would get that spring school of fish. At that time of year stocks were usually sold out and the price was as a rule better in the spring than any other time of the year. If this regulation with regard to that area is still in effect and it is open for purse seining, I would ask the minister to look into this very carefully. The school that was on the north shore has been broken up. If there is a school of sardines, as I am informed, already in the St. Andrews bay area and the purse seiners break them up again and there are no sardines in the spring, we are all open to a great deal of criticism.

There is another matter that I want to mention and it was brought out by the hon. member for Restigouche-Madawaska (Mr. Van Horne). He mentioned the serious situation with regard to the salmon industry on the rivers of the province. It would appear from his remarks and the remarks of many others that this great industry is being neglected by the federal fisheries department. I have heard this same criticism in the house directed to the federal government in connection with conservation of our forests, our streams and so on. I do not want any member of the house to think for one minute I am blaming one government more than any other, because in my lifetime we have had different provincial governments in my province. In this house I have always

been critical of any provincial government which will allow our raw materials to be exploited and then come to the federal government for aid. For many many years these salmon pools on our rivers have been put up for auction and sold to millionaires from outside our country. This has happened under both Liberal and Conservative governments. Our own citizens have been denied the right to fish in the pools on these rivers. However, mention is never made of the fact that the federal government provides the personnel to protect these rivers, yet every dollar of revenue from licences of any kind or from the sale of the pools goes into the provincial treasury. I believe that before too much criticism is aimed at the federal government in this regard we should clean house in our own province. Before I am accused of making a political speech, which is usually the accusation I receive, I want to say that I have said this when we had Liberal governments in my province and I say it today when we have a Tory government.

An hon. Member: More so now.

Mr. Stuart (Charlotte): And not any more now; I have spoken on the same subject in this house on different occasions. I do not believe it is right for any provincial government to allow their crown lands, their fisheries or any other resource of this country which belongs to the people of the country to be exploited by citizens in that province, and then come to the federal government asking for assistance and condemning the federal government for not playing their part. I believe we have the power in our own province to start conservation measures. Now, I will resume my seat because I have taken more time than I intended. I know the minister will give these matters I have brought to his attention serious consideration. I know his health will improve and he will be able to carry on and do the same type of job as he has done since he came here as Minister of Fisheries.

Mr. Nesbitt: I would like to take this opportunity, and I am sure all other hon. members in the house join me, of saying how glad I am to see the minister back in his seat and looking so well after his unfortunate accident. You know, Mr. Chairman, there is an old saying that if you tell a man often enough he is looking sick, eventually he will get sick. I think perhaps after the first item of the minister's estimates is completed that saying will work in reverse and if there is any recovery still necessary it will be completed by the time the minister's estimates are finished.

[Mr. Stuart (Charlotte).]

It may seem very strange to hon. members from the maritimes or British Columbia that a member from central Canada should have any remarks to make about fisheries. However, as the minister and his staff well know, and I hope many other hon. members know, the fishing industry on the great lakes is of very considerable value. In the report of the minister's department it says that the sale value of fish from the great lakes was aproximately $8 million, a little bit less, but almost $8 million. Now, the fishing industry on lake Erie, and lake Huron particularly, not only provides a source of income but it employs many persons. It is a particularly valuable industry because the bulk of the fish caught in those lakes goes to the United States and provides us with United States dollars which, because of our present balance of trade with that country, are very valuable indeed.

As I have already mentioned, this industry is very valuable and its value can be increased, although in the last few years, as hon. members know, because of the lamprey eel and other things, the fishing industry has certainly dropped off in the great lakes area. It is our hope that it will revive, increase in value and employ more people.

A fisherman's life on the great lakes is a pretty healthy one. In my younger days, when I was going to school, I used to spend a great deal of each summer visiting and sometimes working on the fish boats going out of Port Dover, which is in the constituency of the hon. member for Norfolk. Port Dover, as some hon. members may know, is the largest inland fishing port in the world. At the present time there are 25 or 30 modern diesel tugs operating out of this port. I am sure the minister and his staff are aware of this, and I do not wish to take any further time dealing with facts which they already know.

When the great St. Lawrence seaway project is completed in a couple of years a couple of problems which are now in existence will become increasingly important. These two problems will certainly have an effect on the fish population of the great lakes, particularly of lake Erie. These two problems are, firstly, the danger of animal and plant life from the ocean, which are not indigenous to fresh water, getting into the lakes and upsetting the balance of nature and possibly causing considerable harm.

With regard to the first matter, I should like to refer hon. members to what happened with respect to the lamprey eel. As far as I have been able to understand it, the lamprey eel may well have been in lake

Ontario for many thousands of years because, apart from the international rapids and the Lachine rapids, there was nothing to prevent them from getting into lake Ontario. However, Niagara falls was too much of a barrier even for the lamprey eel, and it never got into lake Erie and subsequently lake Huron and lake Superior until there was some other means of passage. Apparently the means of passage was provided by the Welland canal. Well, the Welland canal is of varying size and depth. It has been in existence for well over 100 years. First, there was a 7-foot draft canal, and then a 14-foot draft canal, and now we shall have a 27-foot draft canal. Despite the earlier canals, apparently the lampreys were never noticed in lake Erie until 1921. It is my understanding that lampreys got into lake Ontario by riding—I was going to say "piggy-back", but perhaps I should say "piggy-bottom"; that may be a better term—or sticking to the bottom of boats and going through the lakes. There is a possibility they may have been getting through the locks as they were being filled up from time to time. My colleague, the hon. member for Lambton West, dealt with this problem this morning. Lampreys have caused great depredations in the fish population of the great lakes, particularly lake trout. I understand they are now starting in on the whitefish. This should teach us a little lesson.

The Minister of Fisheries is certainly to be highly commended on the lead he has given in efforts to control and get rid of the lamprey eel. I am very glad to see that an additional $130,000 is included in the estimates this year for that purpose. If we succeed in controlling and eventually getting rid of the lamprey eel we certainly do not want them coming in from the ocean again once we have got rid of those we already have. After the construction of the St. Lawrence seaway project it might be advisable for the minister, if he has not already done so, to take steps to make sure that some type of screening process takes place to prevent, not only more lampreys from getting up into the lakes, but also other forms of undesirable ocean life. The minister may very well say: It has not come in so far. Maybe it will not come in, but after the St. Lawrence seaway is completed we shall have a 27-foot canal, almost double the present depth. There will be a great increase in shipping on the great lakes. At the present time most of our foreign ships come from Norway, Sweden and Holland. With the increased depth of the seaway we will probably have ships from all over the world which will have various things sticking to their hulls. It may be well for the minister, as I said before, to take some precautions to prevent undesirable marine life, both plant and animal, from getting into the lakes on the bottoms of ships or swimming into those much larger and much deeper locks.

While the Welland canal has been in existence for over 100 years, in one way or another, yet the lampreys never got into lake Erie in any quantity until 1921, and did not cause serious damage until the late 1930's. In this regard I should like to make a couple of suggestions to the minister. First of all, I think the great lakes fisheries research committee should investigate the possibility of placing new types of ocean fish in the lakes. This is a sort of procedure the reverse of what I have already mentioned. We have had one very good example of that in the great lakes, namely, the great lakes smelts. The smelt, as hon. members from the maritime provinces know, is a very small edible fish. Smelts in the great lakes have provided a valuable source of fish food and, I may say, pleasure to individuals who go smelting in the springtime. As I understand it, smelt got into the great lakes from a small lake in Michigan which was stocked with those fish. They came down a small stream into lake Michigan and spread around. That is one explanation I have heard; there may be others. As I say, these smelts have provided a very valuable source of food and pleasure to the residents around the great lakes. It may be that other forms of ocean fish could be put into the great lakes that would survive under fresh water conditions and would not upset the present fish population, and might in fact increase, give employment and cause us to sell more fish as well. This is just a suggestion. It may be that the research committee is looking into this matter. I hope it is. If it is not, I hope it will take this hint.

When the lampreys are controlled—and we have had various estimates of the time it will take—I hope the minister's department will take the lead in making attempts to rehabilitate the great lakes with lake trout and with other forms of fresh water fish. This will probably be done by the provincial authorities, but an additional subsidy from the federal government might be very helpful.

I mentioned before—and I repeat it because I do think it is important—that once the seaway is completed, and before it is completed, some plan, some arrangement for screening the Welland canal in particular should be put into effect to prevent the lampreys at least from getting back into the lakes once they are controlled.

The second matter I would like to deal with is pollution in the great lakes, and in

lake Erie in particular. I mention lake Erie because it is a very shallow lake. I believe the average depth is around 70 feet, if my memory serves me. The deepest spot in the whole lake is only 190 feet, and it is at the end of Long Point island. In this regard, I should like to refer to a clipping from the *Sentinel-Review* of Woodstock, Ontario, dated Friday, March 2, 1956. I shall read just a portion of the clipping. The heading is:

Welland health director says Erie being polluted.

The paragraph reads as follows:

Dr. L. W. C. Sturgeon, director of the Welland county health unit, told the Ontario pollution board Thursday lake Erie is becoming more contaminated every year.

We have an abundant supply of good water from lake Erie, but the drainage problem in the Welland and Port Colborne areas is complicated by the abundance of heavy clay.

Dr. Sturgeon said new types of virus diseases are being encountered, such as a mild outbreak of jaundice in one district school last year.

I mention this in passing because it illustrates the desirability of looking into this matter of pollution. Pollution of necessity consists of two types. There is pollution by sewage, which is, of course, animal or vegetable waste matter which eventually would dissipate. In fact, in some cases, it might even form a type of food for some of the fish of the lakes.

The other type of pollution is caused by chemicals, and it would tend to be cumulative in effect. I refer to the type of pollution that might very well be caused by ships blowing off once a day, cleaning their bunkers of oil which goes all through the water. Hon. members know that our beaches along the Atlantic coast have been spoiled because of oil collecting on the beaches and in the water. This might have a very serious effect on the fish life of the great lakes. With the greatly increased shipping that will come with the completion of the St. Lawrence seaway, with certain chemicals being used for cleaning the decks and the holds of ships and that type of thing, this waste will be dumped in the lakes and it might have accumulative effect.

If we look far enough into the future, ships eventually might very well be powered by nuclear energy and their waste products might be dumped into the lakes unless steps are taken at this time to control this type of action. Not only will the fish life in the great lakes be endangered, but the water which may be used for municipal purposes in the states adjoining the great lakes and also in Ontario will be polluted. If pollution is allowed to accumulate in lake Huron and lake Erie it will not only kill the fish but will present serious problems to these municipalities which will have to use this water in the immediate future.

I know this does not come under the heading of fisheries exactly, so I shall not pursue it further, but I did want to mention it in passing in order to show that the increase in traffic on the great lakes which will come as the result of the seaway will increase the possibility of pollution.

I should like now to refer to the remarks of the Hon. Lionel Chevrier who, as all hon. members know, is the head of the St. Lawrence seaway project. I wish to refer briefly to some statements he made when speaking about potential traffic on the seaway in an address he gave in Copenhagen, Denmark, on May 20, 1955:

Estimates of the traffic which will utilize the seaway in the years immediately following its completion suggest a total of 30-35 million tons of cargo per year. This may be compared with approximately ten million tons currently passing through the St. Lawrence canals.

He goes on further to say:

Overseas trade was pioneered by Norwegian interests in 1933, it expanded sporadically in the years before world war II, but was discontinued during the hostilities. Re-established in 1945, this trade has since expanded at a phenomenal rate.

By 1954, the total volume exceeded 780,000 tons and involved 14 shipping lines and 120 vessels. It is worth noting as a measure of growth that the number of shipping lines involved doubled between 1952 and 1954. This has been accomplished it must be remembered, despite the handicaps of the existing 14-foot canals.

Referring to future traffic in foreign shipping, Mr. Chevrier had this to say:

Estimates vary considerably, but there is substantial reason to believe that the present volume of this traffic (over one-half million tons)—

That is, foreign shipping coming from abroad.

—will be more than treble in the years immediately following completion of the seaway.

. . . It could be expanded some 25 times its current level without exceeding the tonnage of similar traffic now handled by ports in comparable U.S. coastal districts.

I mention this because Mr. Chevrier is, as I think all hon. members will agree, the leading authority on the St. Lawrence seaway project and its potentialities in this country and perhaps elsewhere as well. I think these figures should not be taken lightly by any means. The shipping and the pollution, which are already rapidly growing on the great lakes, will continue to grow at a great rate with the completion of the seaway. The problem of waste materials being dumped from ships and the problem of sewage disposal in the lakes will also increase. In deep lakes like lake Huron it may be a long time before the effect is felt, but in shallow lakes such as lake Superior, from which comes the

bulk of fish from the great lakes at the present time, the effect will soon present a problem to municipalities.

In this regard I have a suggestion which I hope the minister might consider. I suggest the setting up of a joint commission with the United States to control pollution of the great lakes. If such a commission were set up it could investigate the present sewage pollution problem and the chemical pollution problem and other factors, and could endeavour to estimate what damage if any, future pollution might cause. It might be that pollution would not be found to be a serious matter, but it would appear serious to me. This commission could investigate the type of pollution that is likely to occur in the great lakes in the foreseeable future, the amount of such pollution and the effect, if any, on the fish population.

If such a commission were set up I think particular attention should be paid to the cumulative effect of chemical pollution particularly by oil and chemicals being dumped into the lakes. If the commission were to decide that a serious problem could develop in future as the result of increased pollution, steps could be taken to control pollution before it takes place, before it destroys the fish life and renders the waters of the great lakes unliveable for the fish and unusable for the human population in the surrounding area.

There is no point in shutting the barn door after the horse is stolen. If vision and foresight had been used in the past we would not have the lamprey problem today. I feel that the Minister of Fisheries and the officials of his department have both foresight and vision. I suggest to the minister that the setting up of such a commission to study the volume of anticipated pollution and its effects should be borne in mind, and it would be my hope that the department would do something about it before it is too late.

Mr. McWilliam: Mr. Chairman, I wish to make a few remarks under this general item. First, however, I wish to state briefly, but nonetheless sincerely, that I am sure we are all pleased to see the minister well on the way to complete recovery.

All phases of fisheries have been discussed since this item was brought forward; therefore my remarks today will be limited. On the whole the Department of Fisheries is making good progress. The status of the department as a component part of government continues to rise, which is a good omen for the future of the industry.

The peculiar habits of the different species of fish, the divergent views on international fisheries, and the limited number of qualified biological and research workers available, are only a few of the problems that have to be faced. These are problems which I contend cannot be solved over night. Advances have been made in all branches of the department, new and improved legislation and regulations have been introduced over the years, all of which is encouraging and beneficial to the industry. Broad statements have been made about the inefficiency of the department and its officials. Statements have been made to the effect that there is a serious decline in fisheries. None of these statements has any foundation in fact.

At this point, Mr. Chairman, I wish to place a few facts on record. The 25th annual report of the Department of Fisheries for the year 1954-55, on page 55, gives a general review of the fishing industry which I feel should be placed in part on the record for the information of those who have not read the report:

> Canadian fishermen generally enjoyed a satisfactory year in 1954. Total landings of fish and fish products amounted to slightly over 2·0 billion pounds compared with approximately 1·85 billion in 1953. Much of this increase was attributable to substantially heavier landings of cod and haddock, in the Atlantic area. In addition British Columbia's herring fishermen recorded their first full calendar year production since 1951.
>
> Average returns, with few exceptions, compared favourably with those of 1953. Gross landed value totalled approximately $97·7 million as against $90·2 million and the marketed value of the year's production is estimated at close to $185 million as compared with $174·2 million in 1953.
>
> The total value of exports reached a record $132·6 million.

To those who are interested in fisheries, I suggest that they read this annual report. I am sure they will agree that the scope of the department's work is very extensive and the results obtained have been very good.

The 1955 annual report of the New Brunswick department of industry and development, fisheries branch, states in part on pages 12 and 13:

> New Brunswick's sea and inland commercial fisheries reached a total of 212,450,000 pounds of fish and shellfish for a landed value of $7,186,900 during the calendar year 1954. In comparison with 1953 this represents an increase of 9·4 per cent in quantity and 5 per cent in value.

How, then, does anyone justify the statement that New Brunswick fisheries are in serious decline?

In regard to species of fish caught in the world-renowned Miramichi river, which runs through the riding of Northumberland-Miramichi, such as salmon, smelts, oysters, lobsters and other varieties of fish—all of which are delicacies—I shall make a few comments when the particular item comes before the committee.

I wish to say a few words on a matter that has been the subject of much discussion inside and outside this house; that is, unemployment insurance benefits for fishermen. I realize the difficulties that are faced in the working out of a plan to embrace fishermen, owing chiefly to the fact that the majority of fishermen are self-employed.

I do not need to remind the members of this house that of all occupations fishing is the most strenuous and hazardous and, as far as the east coast fishing is concerned, the industry with the smallest financial return to the individual. The majority of Atlantic provinces fishermen find it extremely difficult to eke out an existence. They are at the mercy of the elements, and many of them spend their entire lives in the fishing industry, with very little to show for a lifetime of endeavour, through no fault of their own.

There are no better Canadians than the east coast fishermen. They carry on under all sorts of adverse conditions. They do not come begging to parliament when they have a crop failure, or a loss of boats and gear caused by storms, and they have never witnessed a crop surplus. These hardy fishermen go back to the sea with faith and courage to recoup their losses by their own efforts. They are to be commended for their spirit. It is unfortunate that some of this admirable spirit is not shown by another group, in another part of Canada. It would have a splendid effect on the present and future morale of our country.

These east coast fishermen know and appreciate that the Minister of Fisheries and the Minister of Labour, whose department administers the Unemployment Insurance Act, are exploring every avenue with a view to enacting legislation that will make fishermen eligible for unemployment insurance benefits, or some other plan that will provide assistance during periods of unemployment. I know the matter is receiving most serious consideration by the two ministers and their officials. I trust that a solution will be found in the near future to provide these benefits for this group, which is so deserving of this advantage now enjoyed by most Canadians, particularly in view of the adverse conditions they must face —conditions beyond their control—which make the provision of a livelihood an almost insurmountable task.

In the matter of protection, much is heard on the east coast of New Brunswick about illegal fishing of lobsters and salmon. I think there has been a definite improvement in late years. However, I feel that additional protective services would benefit the lobster and salmon fisheries. Salmon fishing associations, both commercial and sports fishing, have requested additional protection, particularly in the spawning areas.

At this point I should like to say a word about the dates for east coast salmon fishing. As a conservation measure the date was set ahead last year to June 5. This date was arrived at after a recommendation was received by the department from the Atlantic salmon co-ordinating committee. This was the first time all the Atlantic provinces, including Quebec, agreed upon an opening date. This date was concurred in by the department after all factors were considered, and the recommendation was put into effect, strictly as a conservation measure. It is generally felt that it was a necessary step; and when the records are compiled after the trial cycle period, the department will be in a better position to assess the future of the east coast salmon fisheries.

In closing, I wish to ask the minister if he has anything to report on the research that is being done in connection with the possibility of spawning the early run salmon at our hatcheries. I also wish to ask him if he will arrange for the showing of the films on the life and habits of the lobster to the Miramichi lobster fishermen at an early date, prior to the opening of the season in area 7B.

Mr. Knowles: Like other members who have spoken, I should like to extend my congratulations to the Minister of Fisheries on his restoration to good health. I am also happy to join in congratulating him on the excellence of his administration of the Department of Fisheries. I have been pleased to note some of the innovations that have taken place during the period he has been minister, including the fishermen's indemnity plan, as well as other steps he has taken to improve the lot of those engaged in this industry.

I should like to join with the previous speaker and others who have spoken in this debate and express the hope that, along with the Minister of Labour, it will not be long until he will find a way in which to bring fishermen under the coverage of the Unemployment Insurance Act.

However, my purpose in rising at this time is to say a few words not merely because of an ancestral interest in fishing but because I happen to be a member of a group that is extremely important to the fishing industry. I refer to the consumers of Canada. I join with the member for Charlotte in congratulating the department on what it has done in its kitchen over in the west block and on what it has done generally in its consumer services. But it does seem to me, Mr. Chairman, that there is still room for a great deal

to be done by way of research, publicity and education with regard to the cooking of fish.

I do not know of any food that can be more delectable than fish when it is properly cooked. The opposite is also true. I do not know of anything I would rather stay away from than fish when it is not properly cooked. We can find examples of both extremes in this city, but I think the words of the hon. member for Charlotte were well spoken when he said that due to the work that has been done by the department there has been a noticeable improvement in the preparation of fish in Ottawa during the past few years.

When one starts to talk about the cooking of fish he realizes he is getting very close to the activities of the housewives of the country, and he must be very careful. I have in mind not so much the cooking of fish in homes but the cooking of fish in restaurants, cafeterias and other public places across the country. I feel very strongly that there is room for improvement there and I should like to make one or two suggestions to the minister.

We know, of course, of the kitchen that his department has in the west block and of the work that is done there, but I feel that the benefits and advantages of that study and work might be much more widely disseminated throughout the country. I wonder whether there has been any attempt at liaison or co-operation with the nutrition division of the Department of National Health and Welfare. I am glad to see the minister nod his head in assent. When I mention the word "nutrition" I think it will be clear that I have in mind not only the desirability of fish being a delight to the taste. I have the notion that there must be a tremendous amount of nutritional value in fish which is lost because in a great many places it is not properly cooked. I believe, therefore, that not only would it be good for the industry to do some educating in this field, but it would also be good for the health of the Canadian people generally if steps were taken so that the full nutritional value of fish were made available to all our people.

As the minister and other members of the house will know, the Department of National Welfare is at the present time conducting a survey amongst Ottawa civil servants to determine whether or not they are eating adequate breakfasts. I think such a survey is a very good idea, but I suggest that if it is possible to conduct a survey of that kind among a selected group of people, surveys might be made to determine the nutritional value of fish cooked in one way or fish cooked in another.

Mr. Brooks: Kippers for breakfast.

Mr. Knowles: My good friend the hon. member for Royal says that kippers should be provided for breakfast for all civil servants in Ottawa. I have no objection to that, but if so I think the project will have to be extended and a good meal of lake Winnipeg goldeye will have to be provided at some other time of the day. However, I am not going to pursue that today. I was led into it by my good friend from Royal. What I was starting to say was that I think it would be worth while for some department of government, or perhaps through liaison among several departments, to conduct surveys to ascertain the nutritional value of fish and then take whatever steps are possible to make the advantages of such a survey known to our people.

There are various ways in which the advantages of research into the proper cooking of fish could be disseminated. There are a number of departments of government which are responsible for feeding a great many people. For example, I think of the Department of National Defence. There is also the Department of Veterans Affairs with its veterans' hospitals. There is the Canadian National Railways, which provides a great many meals, and there are a great many government departments that have restaurants, dining rooms and cafeterias.

In addition, Mr. Chairman, if some new ways can be found of making sure that the goodness that is in fish is always retained when it is cooked, another way in which that knowledge could be distributed throughout the country would be, I suggest, by placing it in the hands of the provincial departments of education. I do not want to raise any constitutional issue here through the fact that the provinces have control of education, but recognizing that principle I think the provincial departments of education, under many of which instruction is given in what is called home economics, domestic science or cooking, would be glad to have that information so it could be passed on to the young people who are taking these courses in our schools throughout the country.

One of the things that must be said about the Canadian housewife as a good cook is that she is always ready for new ideas, and if the department would take steps to spread such new ideas by means of publicity of various kinds I think that would be most acceptable. I recognize that the minister's department has prepared some very interesting booklets already. We have all seen and had the privilege of sending to some of our friends and constituents that well set up little

book on the cooking of fish. Perhaps that particular book is a little along the highbrow line.

Mr. Lennard: It was very simple.

Mr. Knowles: Maybe my hon. friend and I are thinking of different books. I think something a little more proletarian might have wider acceptance.

Mr. Sinclair: We have a good selection for all heights of brows.

Mr. Knowles: That is fine. I believe I have made my point. The minister appreciates the fact that these suggestions are offered in the spirit of trying to be helpful. I think it would be good for the industry. More fish would be sold if this kind of information were spread abroad, and I think it would be good for the health of the people of Canada.

Mr. Balcom: Mr. Chairman, the compliments that have been paid to the minister and his staff have been well merited, but perhaps they would not be worth very much unless they were backed up by the fishermen themselves. I believe the sentiments of the fishermen were very well expressed last Friday by the hon. member for Shelburne-Yarmouth-Clare. I merely want to add that what that hon. member said is also true of every fishing village in Halifax county.

The work of the Department of Fisheries is well and concisely laid out in the 25th annual report of the department, which is the 85th annual fisheries report of the government of Canada. There is ample evidence there of the good work the Department of Fisheries is doing, and in that I want to include not only the minister, his parliamentary assistant and all the officials in Ottawa but all the fisheries officials who are stationed in the outposts, and I suppose I might include Halifax as one of the outposts. We have always found them very co-operative.

I might mention a few of the ways in which we are benefiting greatly and concerning which there is such a decided improvement. The first is the boat insurance which the fishermen have taken advantage of and which has been of great benefit to them. Then there is the lobster pot or lobster trap insurance which in particular has helped the fisherman, for it has given him a real opportunity to fish in places to which he might not otherwise go because of the danger not only to his traps but to himself. As everyone knows, lobster fishing is a very dangerous occupation. Then there is the salt subsidy which was very helpful to fishermen throughout the country, particularly in the more inaccessible places. They appreciate it to the full.

Last year we were pleased with what happened. I do not think it was perhaps necessary for the government to go out of its way to investigate this matter and voluntarily do what it did, but it returned the customs and excise duty to the companies which had paid these taxes when they brought ships into the country. Speaking for these companies I may say that I know they fully appreciate the work that is done. In this debate it has been said that St. Margaret's bay was cut off from trawlers and draggers at a time when perhaps votes were needed. I just want to say here that was not the case at all. I wanted to say at that time, if I had been able to do so, that when we do something we do it for the fishermen, not for the sake of the votes.

Then when home recently I saw on the street a shopmobile, a large trailer in which the federal government, working with the provincial government, are giving our fishermen an opportunity to repair and maintain their engines and motors.

There are perhaps three or four things that I might suggest should be done. I remember that when I was a young person in the country we had a number of lobster factories, and each village had what they call a lobster pound or lobster car in which the lobsters were kept waiting for the boats to call for them or for a time when the price might be a little bit better. It struck me that possibly there might be some assistance given to these country fishermen.

Last Friday I was pleasantly surprised to learn from the minister that last year the export lobster catch was valued at $16,714,000. This, it seems, was three times the value of fresh and frozen salmon exports.

Mr. Sinclair: On the east coast.

Mr. Balcom: On the east coast. I have a note here that, of course, British Columbia canned salmon export was over $16 million.

Mr. Sinclair: How much?

Mr. Balcom: Over $16 million. Another suggestion I should like to make is this. In going around the country I see some extremely careless handling of fish just as, when you go to the Annapolis valley, you see careless handling of apples.

Mr. Sinclair: Except in the Okanagan valley.

Mr. Balcom: The situation must have changed since wartime. I wish that all officials at all levels, when they are visiting these various places, could go to these wharves and give the men instruction on how to handle fish. You see them throwing

them out on the wharves, or forking them out. This procedure just ruins the fish. Fish should be handled just as though they were the most delicate piece of china.

Then of course we are always asking for wharves, breakwaters and shelters. While this matter is not entirely in the sphere of the Department of Fisheries, through them I think the fishermen can be helped because even if there are only two fishermen in a small village, it probably means that 10 or 12 people are dependent on those fishermen. These people cannot go anywhere else and find employment. They must stick to their last there.

In travelling around the country, every one of us has seen how fish can be ruined in so many of our hotels. I wish that your dietitians, who do such a wonderful job in your own department, could visit these hotels and tell them that the best halibut is not improved by frying it or broiling it in tomato sauce.

Then as another suggestion I would hope your department would continue its efforts to stabilize the United States market. After all, I believe they take half our Canadian fish products. Every day I know you are receiving demands for further research. I am glad to read that there is now some possibility that lobster shells will be utilized. I know that your Halifax biological station has been working on this matter for some time, and I know that if anyone can find some further use for them, they will be able to do so.

I would draw to the attention of the minister the fact that in Nova Scotia clams seem to be decreasing in number and in some places going away entirely. I should like to mention one or two places, namely Musquodoboit harbour and Ostrea lake. At one time there were two factories in that vicinity. I think now we have one working only part time. They have to go many miles—I suppose up to 100 miles—to get their clams. I am glad to hear that your department is now working on this matter and has a machine in that area and will continue it down into Guysborough county. Perhaps the reason clams die and disappear from some places might be the subject of an investigation that could be made by our maritime universities. I would not mention any special one, but they could work in co-operation with your own biological station.

Mr. Leboe: Mr. Chairman, I suppose some hon. members are wondering what I would have to say about fish, living as I do up in the interior of British Columbia. But of course that is where the important spawning grounds of the salmon are. We have about 300 miles of the Fraser river in my riding. This river, with its tributaries, contributes a great deal to the fishing industry.

My reason for rising at this time is just to make one or two observations in respect of the rumblings of the battle that is shaping up as between fish and power. I should like to say that the fishermen certainly have a good case for keeping the fishing industry alive, in that they are producing food. When we consider the great populations of the world that are without sufficient food, we cannot but realize that the fishing industry is extremely important.

The thing I had in mind is this. I have read the statement of the minister at page 1920 of *Hansard*, in answer to a question by the hon. member for Kamloops, in which he said in effect that no permit woud be given for power dams until certain conditions had been met which were laid down by his department. The thing I should like to say is this. If by any chance a dam cannot be built on the Fraser river to provide power for the interior of British Columbia, I feel that we have an alternative in the use of gas which will be coming down from Fort St. John. There might be a slight difference in the cost factor of hydroelectric power and thermoelectric power.

If a block is to be put in the way of building a dam because it cannot provide a way for the fish to reach the spawning ground—that is, if it is decided that we cannot build the dam—and if the authority which is in charge of that particular phase of the fishing industry says it is in the interests of Canada that the dam should not be built, then I feel that compensation should be given so that the cost of thermoelectric power in that area should be no more than it would be for hydroelectric power.

I feel that we must get power in that area very soon. I realize that engineers are now working on plans to see if they cannot provide some way for the fish to get up to the spawning grounds and the young fish to get back again. I am hoping that if we do find we cannot build a dam there to supply the people of the interior with power, consideration will be given to making the thermoelectric power just as cheap as the hydroelectric power would be. I do not feel the people of the interior should be asked to subsidize the fishing industry. I believe we must keep the fishing industry alive, and there may not be too great a difference between the cost of thermoelectric power and hydroelectric power. If there is some difference, I believe it should be taken care of by some sort of subsidy.

Mr. Robichaud: It is fitting that a week ago today, on Friday, a day when fish is the order of the day, the Minister of Fisheries should introduce to the members of this committee the first item of the 1956-57 estimates of his department. In a well presented and concise report the minister has given an up to date review of conditions in the fishing industry in Canada. I am convinced that all members of this house were pleased to hear from the minister that the whole fish marketing situation is quite satisfactory at the moment, and that no surpluses of consequence exist. In most cases future prospects are encouraging. Before proceeding with my remarks I want to join with previous speakers and associate myself with those who have congratulated the minister upon his return to this house and to the department. We are certainly all delighted to see him looking so well and so fit to carry on the administration of his ever-growing department.

As one who has been closely connected with the fishing industry almost since childhood, and representing one of the largest fishing constituencies on the east coast, I feel I cannot miss this opportunity of making a few observations on this question which is of vital importance to my constituents. In Gloucester county we have one of the largest and most modern deep sea fishing fleets on the Atlantic coast. From an outmoded and obsolete fleet consisting mainly of sailing vessels and still using the antiquated hand line methods of their forefathers, our fishermen in the past 10 years have quickly adapted themselves to modern methods and today are the proud owners of a fishing fleet estimated to be worth over $2·5 million. Our 60-odd draggers built since 1946, equipped with powerful diesel propulsion units, with ship to shore telephones, sounding fathometers and even direction finders, are considered today one of the largest and most efficient fleets of their kind on the whole Atlantic.

An analysis of fishing operations which was made by the economic service of the fisheries department last summer shows that 10 of the draggers operating from the port of Caraquet alone have landed in six months of operation over 9 million pounds of fresh fish. In fact this Gloucester county fleet landed, during the period from May to November, 1955, a total of 27,459,000 pounds of cod, 12,694,000 pounds of flounders or plaice and 892,000 pounds of haddock. In addition this same fleet has also landed millions of pounds of redfish, commonly known on the market as ocean perch.

I repeat, Mr. Chairman; such amazing results have been obtained during a period of only 10 years, which started in 1946 with the modernization of both fishing methods and processing facilities, aided by the industry as well as the federal and provincial governments. Federal grants since the introduction of this building program 10 years ago have contributed over $300,000 to assist in the construction of vessels of the dragger type in Gloucester county alone. The fishermen's loan board of New Brunswick, which I was privileged to serve as secretary for the first six years of its existence, has been instrumental in the introduction and construction of this most progressive fleet which is today a valuable asset to the management in the fishing industry because they also have a stake in the success of any modernization program that may improve the supply of raw materials to processing plants and supply the consumer with a high quality product. The performance of this new fishing fleet has revolutioned the entire industry, and offers an example of co-operation and controlled ambition which has led to an evolution without precedent in the industry concerned.

Let us not arrive at the immediate conclusion, however, that such a sudden and accentuated effort, resulting in ever-increasing production, does not create problems for those interested in the future of this industry. Ever-increasing capital costs have brought about increases in interest payments, marine insurance premiums and depreciation charges, as well as substantial increases in expenditures for the replacement of fishing gear and other expensive repairs. In order to meet his heavy obligation the dragger owner must increase the intensity of his fishing effort almost to the extent of his physical ability to resist fatigue and exhaustion. It is not unusual to see our Gloucester draggers leave port at midnight on Sunday and fish without interruption, 24 hours a day, for five or six consecutive days before returning to their home port to unload their catch of 60,000 to 70,000 pounds of fresh fish.

These same hard working fishermen are subject to controls and regulations in the hands of the federal government. They have no assurance that the raw materials which they are extracting without letup will be replenished and last indefinitely. It is the duty of the government, therefore, to conduct the necessary research and impose the conservation regulations and control that are required to perpetuate the stock. In this respect the government is to be commended for its participation on the international commission for the northwest Atlantic fisheries which was established in 1951. The aim of this commission is to investigate, protect and conserve the fisheries of the northwest Atlantic ocean in order to maintain an optimum

sustained catch from those fisheries. This objective should meet with the approval and support of all those interested in the fishing industry. Its decision to recommend the introduction of controlled mesh size regulations for trawl nets should be considered as a step in the right direction, and taken as a warning against the possible depletion of certain varieties of fish.

Some of the members who have preceded me in this debate have expressed their concern over existing regulations regarding territorial water limits. The world controversy regarding such limits is no doubt complicating the conservation program now under way under international commissions and our own federal Department of Fisheries. They all express the hope that this important matter will be solved to our satisfaction when the international law commission of the United Nations presents its recommendation to the general assembly late this year.

We cannot regard as fair the present policy of restricting the operation of Canadian trawlers to 12 miles offshore while foreign vessels are allowed to fish up to the 3-mile limit. I cannot agree entirely, however, with the suggestion made by the hon. member for Digby-Annapolis-Kings who said, as reported at page 1756 of *Hansard*:

> I should like to see the situation worked out so that all trawlers would be kept 12 miles off our coasts.

Such a restriction would be most detrimental to certain sections or certain aspects of the industry, such as, for example, the flounder or plaice fishery. This special variety has shown an increase in New Brunswick from a total catch of 600,000 pounds in 1945 to close to 10 million pounds in 1955. Such an increase would have been impossible if trawler operations had been limited to the 12-mile limit, as suggested by the hon. member.

However, I agree with the same hon. member that there should be restrictions to protect the inshore fishermen in certain areas. This problem is apparent along the shores of the bay of Chaleur in my own constituency. After the introduction of draggers in 1946 and up to the fall of 1952, dragger fishermen abstained from interfering with the inshore fishermen in the bay of Chaleur area before late October or early November. However, in September, 1952, we had a provincial election in New Brunswick which resulted in a change of government. Probably by coincidence, on September 23, the day after the election, a number of draggers invaded the bay of Chaleur waters and have ever since interfered with inshore fishermen.

Mr. Brooks: May I point out to the hon. member that the new government did not take over the day after the election; it was some days after. They do not change immediately.

Mr. Robichaud: I might tell the hon. member that the fishermen were aware then there would be no objection from the provincial government, in trying to protect the interests of the inshore fishermen. Once again, Mr. Chairman, I suggest that those inshore fishermen must be protected, and it might be advisable to enforce, by regulations, the gentlemen's agreement which existed up to September, 1952, in connection with certain sections of the bay of Chaleur.

Mr. Brooks: May I ask the hon. member a question? Does he not know that the federal government, not the provincial government, has control of trawlers?

Mr. Robichaud: Mr. Chairman, if the hon. member had been listening he would have heard that I said this was done by a gentlemen's agreement, and that representations were made to the federal government to protect the waters of the bay of Chaleur. I might also inform the hon. member that the deputy minister of the department of industry and development and the director of fisheries of New Brunswick were here in Ottawa in January—I think it was January 15, 1953—and made representations to the Department of Fisheries against the protection of the waters of the bay of Chaleur for inshore fishermen.

Mr. Brooks: Yes; again I want to keep the record straight. This was in 1953. The hon. member said the day after the new government of New Brunswick was elected. That was in 1952, not 1953.

Mr. Robichaud: Again I want to make clear to the hon. member that after September 22, 1952, there was no one in New Brunswick to protect the interests of the inshore fishermen.

Mr. Nowlan: Where was the Minister of Fisheries?

Mr. Robichaud: The Minister of Fisheries received recommendations from the fisheries division of the department of industry and development of New Brunswick.

Mr. Brooks: You are just trying to talk politics.

Mr. Robichaud: During the course of the debate on the fisheries estimates last year I brought to the attention of the house the situation of the herring fishermen on the Atlantic coast. Again I want to mention at this time that our herring fishermen are still using the same outmoded and inefficient methods adopted over a century ago. Would the minister advise the house as to whether

the Atlantic herring investigation committee, which was operated as a joint effort of the government of Canada, the government of Newfoundland before that province entered confederation, and the provincial governments of the maritime provinces and Quebec, has completed its investigation, and if a report has since been published, as this committee, I understand, was dissolved in 1950.

The herring fishery on the Atlantic coast has reached an importance which calls for full consideration by the fisheries research board and the government. Our fall run of herring in the gulf of St. Lawrence waters is considered to be of the best quality available, and is comparable to any production of its kind originating in any European countries. It is generally recognized that the herring resources of the Atlantic coast are not fully used. If new fishing methods have been discovered by the fisheries research board these methods, if practical, should be made known and made available to the individual fishermen. Further efforts should be made to develop a method of catching herring which could be made adaptable to the large number of inshore fishermen all along the coast of the maritime provinces and particularly in the gulf of St. Lawrence area. In New Brunswick alone in 1954 the herring catch exceeded 52 million pounds.

In the last 10 years additional herring plant facilities have been added in Nova Scotia and New Brunswick, and the demand for food purposes, as well as for the meal and oil industry, is increasing every year. A dependable source of supply, an extended fishing season, and more knowledge of the characteristics of herring populations have become necessities if we want this particular phase of the industry to expand as it really should. Much greater developments in this industry are possible, and I ask the minister to assure us that every effort will be made in order to carry on with the initial surveys, undertaken in the last three years, for the success and benefit of this particular industry.

New Brunswick, with its 30-odd varieties of fish and shellfish, and a total production of close to 200 million pounds of fish a year, is a heavy producer of oysters. Gloucester county alone produced in 1955 over 11,000 barrels of this delicacy, or one-third of the total production of oysters in the maritime provinces. This particular fishery, which is well established in certain areas of my constituency, depends largely on research work and on special methods of production and conservation to meet its current problems and provide for further expansion.

The department, through its research board, has centred at Ellerslie, Prince Edward Island, its activities in this respect. A substation for oyster research and for the study and application of methods of oyster culture has also been established at Shippigan. Last year in the course of my remarks I brought to the minister's attention the fact that the staff of the substation was being reduced, and that very little is being done there to revive this gradually vanishing industry. Unless proper conservation methods are enforced and new production methods are introduced, the declining yield which has been so evident in other areas could easily extend to Gloucester county.

We now have in the oyster-producing areas of the maritime provinces a total of about 1,500 oyster leases covering approximately 3,500 acres. A good portion of these leases, or privately-owned oyster farms, are located in my constituency of Gloucester. Again, Mr. Chairman, I urge the minister to increase the staff at the Shippigan substation in order to carry out further investigations to improve the position of the oyster industry in the area. Collection of spats and test-planting should be done on a much larger scale. I even suggest that one of the scientists from the Ellerslie experimental station be stationed at Shippigan for the summer months in order to direct on the spot an activated and more elaborate survey of the situation. Additional help is available locally, and an educational program should be launched without delay to introduce lease-owners to practical methods of spat collection and oyster farming.

In this respect, I do ask the department to have, sometime in late April or early May, a demonstration course at Maisonnette, an area where oyster farming is being done on a large scale. I look forward to this course in April or May of this year.

Last year the department saw fit to change the minimum length of oysters for market from 3½ to 3 inches. This measure has resulted in an unusual increase in production in certain areas, and furthermore has had an adverse effect on consumer market conditions in central Canada. If such a measure had to be introduced for the benefit of the industry, a reduction of one-quarter of an inch the first year would have been advisable and would have prevented a glut of small oysters on the market which resulted in a substantial reduction in prices paid to fishermen.

An oyster committee appointed by the Montreal fish merchants' association has protested vigorously against this measure, and is seriously disturbed and annoyed over the fact that the firms in Montreal dealing in oysters were not consulted before such a change in regulations was adopted. They are not concerned mainly over the additional

quantity of oysters involved, but rather by the large percentage of small oysters which are being offered the market.

Another change in regulation which could be very detrimental to the oyster industry is the introduction of an early season in many parts of New Brunswick and Prince Edward Island. Under the new regulations oyster fishing is permissible on private leases from August 15. Any one familiar with the oyster industry and with weather conditions in the maritimes should know that the temperature of the water at that time of the year is such that it is not advisable to remove any quantity of oysters from their natural bed. It is true that the fishermen do not have to rake the oysters as from August 15 and offer them for market. The opening of a season, however, is an incentive or an inducement to lease owners to participate at once in the revenue which they may expect from the harvest of their oyster crops.

As a result, oysters which are just about over the spawning period and are still feeding heavily are removed from water at a temperature in the vicinity of 60 degrees Fahrenheit and are transported to markets in Montreal or Toronto in outside temperatures ranging from 60 to 75 degrees. Oysters in very poor condition are delivered and offered for sale, and these could easily affect market conditions for the entire season. If the owners of oyster leases as well as public-bed oyster fishermen were consulted, I am convinced that an overwhelming majority would oppose the opening of the season before September 15 for private leases and September 25 for public beds.

Mr. Chairman, I would suggest to the Minister of Fisheries that a survey be made in this respect by officials of his department in order to give the whole matter the attention and consideration it deserves. I sincerely hope that the activities of the research board in this field will be accentuated, and that every possible effort will be made to increase the availability of seed stock for seeding and planting purposes.

It is generally recognized that companies and individual fishermen engaged in harvesting fishery resources cannot control or regulate the source of their raw material. It is therefore the responsibility of the government to conduct necessary research, impose conservation regulations and negotiate when necessary with foreign countries on controls to perpetuate stocks. We realize that oceans do not lend themselves readily to scientific study, and that progress in fishery research will be slower than similar experimentation with land crops or any agricultural product.

We welcome an increase of 25 per cent in the amount provided in the estimates for the fisheries research board. This is a move in the right direction which will meet with the approval of the primary producer as well as management in the industry. I urge the government to provide the minister with a sufficient appropriation to maintain an efficient organization for carrying out federal policies and regulations, such as inspection of plants and products and all other activities pertaining to the development and future of the industry.

The presence of fish, of an adequate supply of raw material, alone is not sufficient to maintain a healthy industry operating on sound and solid principles. The primary producer, whose fishing occupation is a way of life, must be assured that his remuneration will provide a very important share of his family cash income. In order to give this assurance, the fish processor and buyer should be in a position to keep their prices at a level which will enable the fisherman to meet his obligations. It is the responsibility of the government to see to it that both domestic and export markets are supplied with quality products which will gradually increase consumption and provide necessary outlets to take care of increasing production.

If we take for example the cod fishermen or the flounder fishermen, we find as the result of economic surveys that a landed price of at least 3 cents per pound must be paid for his catch in the fresh state in order to provide sufficient income or revenue to meet his obligations and for him to maintain a reasonable standard of living in comparison with other classes of society.

As we make provisions to protect the dairy farmer in regard to his butter, the wheat grower in regard to his wheat, the labour class by unemployment insurance and fair wages, the civil servant by security and pension funds, we must also find means of protecting the fisherman by assuring him of a minimum price on certain commodities of fish. As cod fishing is the basic occupation of the large majority of full-time commercial fishermen on the Atlantic coast, I suggest that a minimum price of 3 cents per pound should be obtained for this particular variety.

However, under existing conditions with rigid inspection, careful processing and packaging, together with well planned marketing, it is possible with the co-operation of all concerned, including the primary producer, the industry and the government, to assure the cod fisherman of an adequate and satisfactory return for his production without having to introduce a floor price or some kind of assistance or subsidy.

Mr. Chairman, I want to emphasize once more the need for the continuation of an educational program and a well-prepared publicity campaign to prevent the unfortunate practice of illegal fishing among lobster fishermen. In the last three years tremendous progress has been accomplished in this field, and all branches of the department concerned must be congratulated for the results obtained. I wish to assure the minister that we are looking forward to a continuation and further expansion of this educational policy.

I would suggest, however, that more consideration be given to the large number of fishermen on the east coast of New Brunswick whose only language is French and by whom instructions in any other language cannot be properly understood. I would suggest that more use of the press be made for publicity and educational purposes, including French daily newspapers whose circulation is very popular in most French speaking fishing communities on the New Brunswick east coast.

I was amazed to learn that the Halifax office had notified the department that no French posters and no application forms in French were required for Gloucester county fishermen in connection with the rebate applicable to salt used by fishermen in the processing and curing of certain varieties of fish. The department should be made aware of the fact that out of approximately 800 fishermen in Gloucester county 75 per cent, or approximately 600, are French speaking and cannot understand or speak any other language.

Mr. Chairman, with the consent of the house I could conclude in two or three minutes.

The Chairman: Has the hon. member leave to proceed?

Some hon. Members: Agreed.

Mr. Robichaud: Thank you. Some members have made mention in this debate of the brief submitted to the royal commission on Canada's economic prospects by the fisheries council of Canada. I agree that this brief is excellent and well prepared and covers many aspects which could face the fishing industry in years ahead. There are two recommendations, however, which I would approach with great caution.

First is the suggestion put forward that the government should consider the emigration of fishermen to Canada. Before acceding to this request I suggest that we should first consider the possibility of improving the situation of our own Canadian fishermen. We in the maritime provinces are complaining that our young men are deserting our industries for the central provinces. Before considering increasing our fishing force with immigrants, let us first make this profession more attractive to our young generation; let us prepare them through proper education. Then and only then will we be in a position to keep in the maritimes the large number of young men who are now forced to move out in search of a better situation.

Another recommendation in this brief which I would approach with caution is the question of government control on vessel importation and the existing import duty on vessels up to 100 feet in length from most favoured nation countries. We have too many shipyards scattered all along our shores seeking business to hamper them further by allowing the duty-free importation of the type of vessels which they have been supplying the industry for many generations. The skill, ability and craftsmanship of our Canadian shipyard workers is so eminent that they should be given every opportunity to take full advantage of Canadian outlets for their products.

I am in full agreement with the remarks made with regard to bringing our fishermen under unemployment insurance benefits. I will reserve my observations on this subject until we consider the estimates of the Minister of Labour.

Mr. Sinclair: I wonder if I could have the indulgence of the committee for just a moment, since it is obvious that item 1 is not going to be carried today. First of all I should like to express my personal thanks for the many kind things said about my own health. I think the hon. member for Oxford put it very neatly when he said that with all these expressions of good wishes in regard to my health I certainly should feel much better.

I am also glad that for the first time the fishing members have had a chance to have the estimates of the Department of Fisheries first discussed. I think the participation of members from every part of Canada and from every party will show the fishermen of Canada that there is an increased interest in fisheries.

The other thing I should like to mention is the fact that quite a number of members have suggested that when I do reply I make some mention of my own experiences in the field of fisheries in the Scandinavian countries, in Russia and in China last summer. I do not think that would be quite appropriate in a discussion of the estimates of the Canadian Department of Fisheries, but I have written to the chairman of the standing committee on marine and fisheries informing him that, if it is the desire of that committee,

I will be very glad to appear before it and report on my experiences over there and be questioned by the members of that committee.

Progress reported.

PRIVATE BILLS

Mr. Deputy Speaker: There are a number of private bills at the committee stage on the order paper, namely, items No. 36, No. 37 and No. 38, and also Nos. 39 to 169 inclusive, the latter being divorce bills. Under standing order 54, shall these bills be considered under one motion?

Some hon. Members: Agreed.

Mr. Macdonnell: Mr. Speaker, are you including Bill No. 146 and Bill No. 147 in that, one an act to incorporate the Canadian Equity Insurance Company and the other an act to incorporate Interprovincial Trust Company?

Mr. Knowles: Yes, he did.

Mr. Macdonnell: Should we not have some report on these?

Mr. Deputy Speaker: The bills have already been reported from the standing committee and are now going to the committee of the whole for consideration. This is merely a matter of the committee of the whole dealing with all these bills on the same motion. Is that agreed?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 146, to incorporate the Canadian Equity Insurance Company.—Mr. Hunter.

Bill No. 147, to incorporate Interprovincial Trust Company.—Mr. Hunter.

Bill No. 122, respecting the General Synod of the Church of England in Canada, the Missionary Society of the Church of England in Canada, the Woman's Auxiliary of the Church of England in Canada and the Church of England Consolidated Trust Fund.—Mr. Carter.

Bill No. 11, for the relief of George Francis Alford Yull.—Mr. Hunter.

Bill No. 12, for the relief of Joyce Ethel Jacques Horgan.—Mr. Hunter.

Bill No. 13, for the relief of Jean Thomson Duquette.—Mr. Hunter.

Bill No. 14, for the relief of Rosa Straub Gehlsen.—Mr. Hunter.

Bill No. 15, for the relief of Cecile Bezeau Barnabe.—Mr. Hunter.

Bill No. 16, for the relief of Dora Gina Costello Dash.—Mr. Hunter.

Bill No. 17, for the relief of Fernand Desmarais.—Mr. Hunter.

Bill No. 18, for the relief of Elsie Abbot Marsden.—Mr. Hunter.

Bill No. 19, for the relief of Freda Ethelwinne Henders Jacobson.—Mr. Hunter.

Bill No. 20, for the relief of Hazel Loretta Noseworthy Johnston.—Mr. Hunter.

Bill No. 21, for the relief of Veronica Iris Collier Horvath, otherwise known as Veronica Cross Horvath.—Mr. Hunter.

Bill No. 22, for the relief of Maria Romano Bove.—Mr. Hunter.

Bill No. 23, for the relief of Nora Marian Tilley McBain.—Mr. Hunter.

Bill No. 24, for the relief of Marguerite Tremblay Nathan.—Mr. Hunter.

Bill No. 25, for the relief of Dolores Marion Zolov Karpman.—Mr. Hunter.

Bill No. 26, for the relief of Rosalie Rosetti Acason.—Mr. Hunter.

Bill No. 27, for the relief of Edmund Joseph Cochrane.—Mr. Hunter.

Bill No. 28, for the relief of Edna Hannah Keene Newberg.—Mr. Hunter.

Bill No. 29, for the relief of Charlotte Jean McAndrew Boyd Thompson.—Mr. Hunter.

Bill No. 30, for the relief of Wilma June Keast Noel.—Mr. Hunter.

Bill No. 31, for the relief of Patricia O'Neill Primiani.—Mr. Hunter.

Bill No. 32, for the relief of Evelyn Nellie Keemer Mein.—Mr. Hunter.

Bill No. 33, for the relief of Pierre Roger Vuille.—Mr. Hunter.

Bill No. 34, for the relief of Marie Gertrude Antoinette Hotte Ouellette.—Mr. Hunter.

Bill No. 35, for the relief of Euphrosina Kowalyk Whalley, otherwise known as Rose Kowalyk Whalley.—Mr. Hunter.

Bill No. 36, for the relief of Matilda Stoner Adams.—Mr. Hunter.

Bill No. 37, for the relief of Gertrude Bailiss Goodlin.—Mr. Hunter.

Bill No. 38, for the relief of Leokadja Laura Rozycka Haber.—Mr. Hunter.

Bill No. 39, for the relief of Teofila Kurjata Marciniak.—Mr. Hunter.

Bill No. 40, for the relief of Shirley Gelber Kaufman.—Mr. Hunter.

Bill No. 41, for the relief of Margaret Pounden Greenstien.—Mr. Hunter.

Bill No. 42, for the relief of Gaston Maille.—Mr. Hunter.

Bill No. 43, for the relief of Mary Dufresne Cosco.—Mr. Hunter.

Private Bills

Bill No. 44, for the relief of Julienne Marchesseault Jasmin.—Mr. Hunter.

Bill No. 45, for the relief of Helen Mary Farrell Hickey.—Mr. Hunter.

Bill No. 46, for the relief of Hazel Mair Grant Mander.—Mr. Hunter.

Bill No. 47, for the relief of Joseph Roland Gaston Charette.—Mr. Hunter.

Bill No. 48, for the relief of Beulah Sybil Chapman Maus.—Mr. Hunter.

Bill No. 49, for the relief of John Elwood Way.—Mr. Hunter.

Bill No. 50, for the relief of Thomas Charles Desmarais.—Mr. Hunter.

Bill No. 53, for the relief of John Caldwell Scriver.—Mr. Hunter.

Bill No. 54, for the relief of Marie Therese Provost Lapointe.—Mr. Hunter.

Bill No. 55, for the relief of Margeryann Williams Farrow Chesney.—Mr. Hunter.

Bill No. 56, for the relief of Kathleen Birdie MacPhail Morgan.—Mr. Hunter.

Bill No. 57, for the relief of Sylvia Colato Le Pottier.—Mr. Hunter.

Bill No. 58, for the relief of Antonina Dieni Choumanchuk.—Mr. Hunter.

Bill No. 59, for the relief of Rena Amelia Duncan Chenier.—Mr. Hunter.

Bill No. 60, for the relief of Stanley Edgar Barnes.—Mr. Hunter.

Bill No. 61, for the relief of Molly Joyce LaPlante Baggott.—Mr. Hunter.

Bill No. 62, for the relief of Jean Dorothy McLean Lewis.—Mr. Hunter.

Bill No. 63, for the relief of John Walter Thoburn.—Mr. Hunter.

Bill No. 64, for the relief of Panorea Delaporta Alivizatos.—Mr. Hunter.

Bill No. 65, for the relief of William James Stoddard Edington.—Mr. Hunter.

Bill No. 67, for the relief of Audrey Hilda Voysey Beaudoin.—Mr. Hunter.

Bill No. 68, for the relief of Frederick Howard Blaikie.—Mr. Hunter.

Bill No. 69, for the relief of Muriel Tetreau St. George.—Mr. Hunter.

Bill No. 70, for the relief of Patricia Colleen Hewitt Nelson.—Mr. Hunter.

Bill No. 71, for the relief of Ruth Mildred Thompson McBain.—Mr. Hunter.

Bill No. 72, for the relief of Joseph Theophile Lambert.—Mr. Hunter.

Bill No. 73, for the relief of Lillian Baron Goodman.—Mr. Hunter.

Bill No. 74, for the relief of Madeleine Erna McArthur Blais.—Mr. Hunter.

[Mr. Deputy Speaker.]

Bill No. 75, for the relief of Queenie Molly Wolfson Phillips.—Mr. Hunter.

Bill No. 76, for the relief of Annie May Elizabeth Godson Brooks.—Mr. Hunter.

Bill No. 77, for the relief of Ada June Mannard Wilmoth.—Mr. Hunter.

Bill No. 78, for the relief of Rose Florczyk Greenwood.—Mr. Hunter.

Bill No. 79, for the relief of Beryl Grace Leaper Shufelt.—Mr. Hunter.

Bill No. 80, for the relief of Ralph Patrick Dowling.—Mr. Hunter.

Bill No. 81, for the relief of Alice Guernon Peladeau.—Mr. Hunter.

Bill No. 85, for the relief of Elizabeth Baird McDowall Whitlock.—Mr. Hunter.

Bill No. 86, for the relief of Adrien Patrick Dicaire.—Mr. Hunter.

Bill No. 87, for the relief of Jessie Altha MacBride Burnside.—Mr. Hunter.

Bill No. 88, for the relief of Marianne Adorjan Balogh.—Mr. Hunter.

Bill No. 89, for the relief of Helene Marguerite Peck Cooper.—Mr. Hunter.

Bill No. 90, for the relief of Una Margaret Prower Douglas Heubach.—Mr. Hunter.

Bill No. 91, for the relief of Hilary Hope-Hawkins Hardie Henders.—Mr. Hunter.

Bill No. 92, for the relief of Marie Arthemise Marguerite Denise Laperriere Mercier.—Mr. Hunter.

Bill No. 93, for the relief of Harry Hood.—Mr. Hunter.

Bill No. 94, for the relief of Delima Chalifoux Prevost.—Mr. Hunter.

Bill No. 95, for the relief of Frances Raven Sherman.—Mr. Hunter.

Bill No. 96, for the relief of Constance Louisa Kelly McKenna.—Mr. Hunter.

Bill No. 97, for the relief of Jean Mailman Greenleaf.—Mr. Hunter.

Bill No. 98, for the relief of Grace Elizabeth Davidson Alexander.—Mr. Hunter.

Bill No. 99, for the relief of Frederick Arthur Waltho.—Mr. Hunter.

Bill No. 100, for the relief of Jean Decary.—Mr. Hunter.

Bill No. 101, for the relief of Sylvia Barbara Murphy Simon.—Mr. Hunter.

Bill No. 102, for the relief of Amy Elizabeth Torrance Fraser Walker.—Mr. Hunter.

Bill No. 103, for the relief of Margery Cooper Mason.—Mr. Hunter.

Bill No. 104, for the relief of Caroline Scortaru Ungariano, otherwise known as Caroline Scortaru Ungar.—Mr. Hunter.

Bill No. 105, for the relief of John Joseph Rahilly.—Mr. Hunter.

Bill No. 106, for the relief of William Ross Gould.—Mr. Hunter.

Bill No. 109, for the relief of Morris Gilbert.—Mr. Hunter.

Bill No. 110, for the relief of Margaret McDonald Williamson Gebbie.—Mr. Hunter.

Bill No. 111, for the relief of Gwytha Olwyn Lillian Pring Evans.—Mr. Hunter.

Bill No. 112, for the relief of Georges Durand.—Mr. Hunter.

Bill No. 113, for the relief of Mary Rose Kenny Deline.—Mr. Hunter.

Bill No. 114, for the relief of Katherine Marle Saretski.—Mr. Hunter.

Bill No. 115, for the relief of Rose Juliana Evelyn Kedroskie Quincey.—Mr. Hunter.

Bill No. 116, for the relief of Jeannette Morin Parent.—Mr. Hunter.

Bill No. 117, for the relief of Mona Ruth Davis Goldberg.—Mr. Hunter.

Bill No. 118, for the relief of Ruth Goodman Silverstein.—Mr. Hunter.

Bill No. 119, for the relief of Simonne Auger Boule.—Mr. Hunter.

Bill No. 120, for the relief of Leslie Archibald Hood.—Mr. Hunter.

Bill No. 123, for the relief of George Hugh Wadge.—Mr. Hunter.

Bill No. 124, for the relief of Martha Bailly Maher.—Mr. Hunter.

Bill No. 125, for the relief of Helena Roy Buckland.—Mr. Hunter.

Bill No. 126, for the relief of Marion Mildred McKnight Newman.—Mr. Hunter.

Bill No. 127, for the relief of Marie Laura Francoise Lamothe Newcome.—Mr. Hunter.

Bill No. 128, for the relief of Frances Caplan Sirota.—Mr. Hunter.

Bill No. 129, for the relief of Joyce Smith Gwinnell.—Mr. Hunter.

Bill No. 130, for the relief of Joan Sheila Rosser Roland.—Mr. Hunter.

Bill No. 131, for the relief of Shprintza Gelber Shildkraut.—Mr. Hunter.

Bill No. 132, for the relief of Sabina Rosenzweig Rosenblum Faust.—Mr. Hunter.

Bill No. 133, for the relief of William Eugene Chabot.—Mr. Hunter.

Bill No. 134, for the relief of Joseph Charles Sylvio Demers.—Mr. Hunter.

Bill No. 135, for the relief of Florence Ethel Bigelow Hamilton.—Mr. Hunter.

Bill No. 136, for the relief of Amy Katharine Newman Cowans.—Mr. Hunter.

Bill No. 137, for the relief of Sara Martin Lesser.—Mr. Hunter.

Bill No. 138, for the relief of Annetta Smith Marchand.—Mr. Hunter.

Bill No. 139, for the relief of Sybil Violet Godfrey Russell.—Mr. Hunter.

Bill No. 140, for the relief of Dorothy Mary Humphreys Pepper.—Mr. Hunter.

Bill No. 141, for the relief of Roslyn Yagod Kivenko Belkin.—Mr. Hunter.

Bill No. 142, for the relief of Hilda Sarah Twyman Gagnier.—Mr. Hunter.

Bill No. 143, for the relief of Jessie MacFarlane Boyle Roberts.—Mr. Hunter.

Bill No. 144, for the relief of Donald Henry Emslie.—Mr. Hunter.

Bill No. 145, for the relief of John Wesley Hamilton.—Mr. Hunter.

Bill No. 152, for the relief of Lillian Hannah Maxwell Gallant.—Mr. Hunter.

Bill No. 153, for the relief of Gordon MacKay Butler.—Mr. Hunter.

Bill No. 154, for the relief of Eleanor Jodelis Milius.—Mr. Hunter.

Bill No. 155, for the relief of Marie Madeleine Rachel Gregoire Shank.—Mr. Hunter.

Bill No. 156, for the relief of Shirley Mildred Glazerman Wolfe.—Mr. Hunter.

Bill No. 157, for the relief of Dorothy Jean Midkiff Desnoyers.—Mr. Hunter.

PERSONAL FINANCE COMPANY OF CANADA

On the order:

Second reading of Bill No. 160 (letter G-5 of the Senate), intituled "An act respecting Personal Finance Company of Canada".—Mr. Lefrançois.

Mr. Weir: Stand.

Mr. Carrick: Mr. Speaker, in the unavoidable absence of the hon. member for Laurier (Mr. Lefrançois), I move that this bill be read the second time.

Mr. Knowles: Mr. Speaker, has the hon. member the consent or request of the sponsor to move second reading of this bill? I understood it was going to be allowed to stand in the absence of the sponsor.

Mr. Carrick: I did not get my instructions directly from the sponsor. I received them indirectly, but I believe he consents to my speaking to the bill on his behalf.

Mr. Weir: On a question of privilege, Mr. Speaker, may I say that a more or less tentative agreement was reached that these bills would stand today when the sponsors were not here and we would proceed with other orders on the order paper. On that understanding, I hope we can carry out that arrangement.

Mr. Carrick: That is quite satisfactory.

Mr. Deputy Speaker: Under the circumstances Bill No. 160 will stand.

Canada Elections Act

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 121, to amend the Canada Elections Act.

He said: Mr. Speaker, as I indicated when first reading was given to this bill, its purpose is to extend the privilege of voting at an advance poll in connection with a federal general election to any qualified voter who finds that he will be absent from his constituency on election day. As hon. members will have noticed, the bill consists of nine pages, and some may wonder if there is not more in the bill than is suggested by that simple explanation. The fact is that everything else in the bill is consequential upon the one change which is sought by the bill, namely, the extension of the privilege of voting at advance polls to all qualified electors who find they will be absent on election day.

I am sure that many, if not all, members in the house will agree with me that at least in urban areas the most common complaint at election time is that many voters who will be away on election day find that they cannot vote at the advance poll. This is particularly annoying to voters who are aware of the fact that there is such a thing as an advance poll and who discover that only a very limited group of people may vote at that advance poll.

As hon. members are aware, the privilege of voting at advance polls is restricted at the present time to commercial travellers, fishermen, persons employed upon railways, vessels, airships and so on, members of the reserve forces and of the Royal Canadian Mounted Police. In recent years federal general elections have for the most part been held in the summer period and rumours are that the same will be true next time. In fact I understand that those who, like the Minister of Trade and Commerce, like to look into crystal balls when they are not out on loan are already guessing as between June 17 and June 24, 1957, for the next general election. At any rate, with elections coming in the summertime a great many people do find that they are away on holidays at election time.

Some people may find it possible to get back to their constituencies in order to vote but for many people this is either impossible because of the distance they have gone away from home or because of the cost involved. It seems to me, therefore, that it is a legitimate grievance that many people have, namely, that there exists an advance poll but that many qualified voters do not have the right to vote at that advance poll. In my own province of Manitoba that grievance is felt very strongly at federal elections because the privilege of voting at advance polls is extended in provincial elections to all qualified voters who find they will be away from home.

I urge this amendment to the Canada Elections Act, Mr. Speaker, not only to meet a grievance which is often expressed by voters but because it seems to me that it implements a principle underlying the whole business of voting. In our democratic approach to these things we feel that people should be encouraged to vote, that every person who is qualified to vote should have it made possible for him to get to the polls and to cast his vote.

No one would suggest that a measure of this kind has any partisan motive, at least not so far as a member of an opposition party is concerned, for the fact is that if you go through the results of general elections you will find that generally speaking the winner in a constituency has also obtained the largest number of votes cast at any advance polls in his riding. In other words, although it is not a universal rule, those who vote at advance polls tend to vote in the same proportion as do the people who vote on the regular election day. Therefore in no sense is one advocating anything that is of partisan interest. Likewise, in no sense is one advocating a special privilege. Rather we are simply advocating that the principle of the universal franchise be implemented by the further extension proposed in the bill.

In addition to meeting a grievance and implementing a principle, I feel that taking this step would have the effect of removing a feeling of discrimination which does arise every time we have a federal general election. Those whose names are on the voters' lists, those who are qualified voters, who in turn discover that they cannot vote at an advance poll whereas certain groups of people can vote at those polls, feel that this is a form of discrimination. The reasons that people are obliged to be away from home on election day are many and varied. People feel that the attempt of any law-making body to decide which of those reasons are legitimate and which are not is practising a form of discrimination which is not consistent with the principle of universal suffrage.

There is another way in which people feel there is a form of discrimination. I have already alluded to it in my suggestion that some people who are away from home on election day can afford to get home in order to vote while others cannot afford to make such a trip. I therefore feel, Mr. Speaker,

that here is a chance to remove these feelings of discrimination with regard to voting at advance polls, and I urge the house to give serious consideration to this proposition.

As I have already indicated, it is generally thought that the election for the 23rd parliament of Canada will take place in 1957. One of my friends to my right wanted to put it off a year the last time I mentioned that date. But whether it is in 1957 or in 1958—

An hon. Member: Or 1956.

Mr. Churchill: You are sure of 1955.

Mr. Knowles: Whenever it comes, Mr. Speaker, we seem to have been having considerable fun over on this side of the house in trying to set the date. The one individual who will fix the date is, of course, holding his counsel on that matter. In any event, I think it is generally believed that the election will be in the summer period. Therefore, Mr. Speaker, the dissatisfaction that has been felt in the last three general elections will be felt again unless action is taken on this matter before the next general election.

If I may get back to what I started to say a moment ago without again inviting interruptions by my friends around me—

Mr. Nowlan: Don't you welcome them?

An hon. Member: Why use the expression "friends"?

Mr. Knowles: If the election is a possibility in 1957, that fact makes it urgent, if a matter such as this is to be dealt with, that it be dealt with at this session. Toward that end I invite the house, particularly the members on the government side, to consider seriously and favourably the idea of approving this bill in principle by voting for it on second reading and letting it go to the committee on privileges and elections. With the number of details that are contained in this bill, it would obviously have to be gone over by a committee. If a matter like this is left until another year, it may not be implemented in time for the next election. In other words, Mr. Speaker, the time to deal with this matter is at this session, if we are going to remove the grievances to which I have referred and if we are going to implement the principle of the universal franchise to this extent in time for the next election.

Another reason for urging the house to approve the bill and let it go to committee is the necessity of looking at all the various clauses and all the various details in the bill. Purposely—not just because there is a rule against it—I am going to refrain from discussing any of the details of the bill. As I have already indicated, the bill calls for a number of changes which are consequential upon the primary change which is made so as to extend the privilege of voting to all qualified electors.

One of the changes involves putting the voting at advance polls on a different set of days than is at present the case. That change has been suggested so there may be a longer period between the voting at the advance polls and the voting on the general election day, in order to enable the various election officials to make the necessary deletions from the election lists and do all the other things that are necessary to make sure there will be no duplication of voting at the general election as a result of this change.

There are other changes that are made necessary, such as the date on which nominations would close and various details of that kind. If I were even to specify what those details are, I can well imagine that some hon. members would prefer one set of days rather than another for the advance poll voting. However, Mr. Speaker, that is not the point. The point at stake on second reading of this bill is this simple principle, namely that the right to vote at advance polls be extended to all qualified voters.

I have had occasion to mention a few of the details which it has been necessary to work out and incorporate in this bill. May I take this opportunity of expressing my thanks to two individuals—they are servants of this parliament rather than servants of the government—who have assisted me in drafting my bill. Those officials, as anyone would imagine from reading the bill, are, of course, our parliamentary counsel, Dr. Maurice Ollivier, and the chief electoral officer, Mr. Nelson Castonguay. I wish to make it perfectly clear that my having mentioned their names does not mean that they are either for or against the principle of this bill; but their help, in order that I might draft a bill which would set forth the mechanics to carry out this principle, has been most valuable and I am grateful to them for their assistance.

In other words, Mr. Speaker, what is before the house is a bill—although it has details that some hon. members might like to alter a little here or there—that is more than just an abstract proposition. It is not just a pious resolution suggesting that it would be a good idea to have a wider extension of the privilege of voting at advance polls. Rather it is a bill that sets out the mechanics by means of which it can be done. On that basis I feel that the matter should receive the approval of the house and that the bill should be sent to a committee so it can be studied.

I would emphasize the point that the assistance I have received from the officials whom

I have named has enabled me to put in the bill appropriate clauses to provide against any additional corrupt practices at election time. As a matter of fact, I think it is fair to say that the necessity for that protection which results from extending this principle has resulted in producing mechanics toward this end that I believe are even better than those that are in the act at the present time.

There may be those who will feel that the exact terms of my bill extend this principle too widely. I do not think so. I do not think any law-making body, even parliament, should set itself up as the judge between two different reasons that two different persons may have for being away from home on election day. When you start to draw lines of that kind you can readily become unfair. That is the reason I have drawn my bill so as to make it possible for any person to have this privilege, provided he will take an affidavit to the effect that he has reason to believe that he will be absent on the ordinary polling day and that he will be unable to vote on that day in his own polling division.

You will note, Mr. Speaker, that my bill requires any person wishing to exercise this privilege to take an affidavit. It is true it is just an affidavit to the effect that he believes such and such to be the case. Nevertheless, I feel that is a sufficient safeguard so that the right to vote at the advance poll will not be abused. I feel that, too, because of our own experience in the province of Manitoba. We have had this universal right to vote at the advance poll for many years, and it has not been abused. In the main people still find that their interest is in voting on the general election day, and that is when they vote. The numbers who vote at the advance poll are really not very great.

Nevertheless, Mr. Speaker, if some members feel that some point should be found between the present very severe restrictions which are in the act and the very wide provision that is set out in my bill, then of course that is the kind of detail we can discuss in committee and perhaps we can reach agreement on it if the bill is permitted to go to the committee on privileges and elections. I can say, as ministers often say when they are introducing bills and trying to win favour from the other side, that after second reading of this bill I will have pleasure in moving that it be referred to the standing committee on privileges and elections. I feel that a measure of this kind, though it might not affect a great many people, will nevertheless further our interest in the full practice of democracy. It will increase the interest of our people in voting at election time, and I suggest that anything of this nature is all to the good at this stage in the history of democracy.

So, Mr. Speaker, I commend this bill to the consideration of the house. I hope there will be a fair amount of discussion on it during this debate on second reading, and that there will be an opportunity for members to learn what are the opinions of the people around the country. I was interested in noting that the Canadian Chamber of Commerce has already written to members of parliament urging that this bill be supported. I happen to know that various labour organizations of this country also support the principle of this bill, as indeed both the chamber of commerce and labour organizations have done for some time.

As I say, I hope the principle will be discussed by interested members representing all parties, and that when that discussion is over second reading will be approved by the house so the bill can go to the committee on privileges and elections where any amendments might be made, so that before the end of this session this change in the elections act might be upon our statute books.

Hon. Roch Pinard (Secretary of State): I have listened with great interest to the remarks that have been made by the sponsor of this bill. As the minister responsible in parliament for the chief electoral officer, who administers our election act, I think I should say a few words to express my views on this proposal the result of which would produce, I think, a very serious, if not radical, change in our electoral legislation.

The hon. member has mentioned the interest of outside organizations such as the Canadian chamber of commerce as well as other chambers of commerce throughout the country, which have expressed the view that this bill ought to receive the support of the government. I have read those representations and I may say that they appear to be, as I am myself, in agreement with the principle of the proposal. However, I am sure that if they were to give careful study to the act as it now stands, and to the proposal that has been made, they might very well come to the conclusion they ought to change their views and should, as I am going to do, oppose the proposal now made by the hon. member.

I think everyone is in agreement with the principle. I have said so myself on a number of occasions. If we are to have a democracy which will produce as many of the beneficial objectives as possible, if we are to allow as free and general an expression of the will of the people as circumstances will permit, then we will all favour the principle underlined in

this bill. In other words, we will want to have as many Canadians as possible express their views on the choice of their representatives in this House of Commons. I am in agreement with the principle, but I think there are a number of reasons which, in my view, command us to be cautious in this matter and not go as far as the proposal which is made.

Under this bill the hon. member simply suggests that we ought to allow anyone, for any reason whatever, to cast his vote at an advance poll for the simple reason that he may be away from his polling division on polling day. In other words, all that would be needed to justify the establishment of an advance poll would be for someone to think he may be away on polling day and he would be allowed this privilege of voting at such a poll. As the act now stands provision is made to cover what I consider to be the exceptional cases, and those classes of people have been mentioned by my hon. friend. These classes include people who, by their occupation and not because of holidays or other reasons, cannot vote on election day.

I think if we were to go as far as my hon. friend would like us to go it would destroy the significance of polling day to the Canadian people. The whole machinery of the election act is prepared in order to allow an expression of opinion of the people on that one given day which is established and which is determined, even if my hon. friend would like to make predictions, by the government.

It is true that it is sometimes a little more difficult to exercise your right to vote during the summertime. It is true also that elections have been held during that period when holidays are being taken by the Canadian people. But I think under the proposal that is now being made, if we were to allow anyone who felt he might be away to cast his vote at an advance poll on the ninth and tenth day preceding the polling day, I would imagine a number of people would take advantage of that situation. It would tend to not only increase election costs, though that would be only every five years, but in the final result you would have established a new rule and the election day would not be the date for which the election was called.

This should be the only day upon which allowing for exceptions when they have to be made, the people of Canada will choose their administrators for the next years to come. Instead of that you would establish two other days upon which this would also be done. I do not think I would be exaggerating if I were to say that if this practice were established you might very well find that some day there would be more people voting at the advance polls than would be voting on election day.

I do not believe we want to allow this sort of thing to happen, for a good many reasons. Election day is fixed for a Monday. Nomination day is fixed 14 days ahead of that date, when candidates are chosen to conduct an electoral campaign. During that period of 14 days political parties expound their ideas. Candidates tell the people of Canada what they want to do to defend the interests and the rights of their constituents. During that period of time, which I believe is essential, the people make up their minds. I think that period of 14 days is essential to everyone who wants to exercise his right to vote with sound judgment. In other words this period of time, which is short enough in itself, should be completely allowed to the people of Canada in order that they may make a sound choice.

If we were to allow, as the proposal indicates, two other days to be considered also as polling days, we would find, I believe, that the significance and the importance of election day itself would be gradually reduced. I would not be surprised, in fact, to find that the interest of the people would be greatly reduced. By permitting many more people to vote at advance polls you would reduce the importance of the election itself. I believe the time would come when people would completely lose interest. We sometimes complain of the lack of interest of the public in elections. If anyone were allowed to consider that this privilege, this right, which is essential, could be exercised at his discretion on another day than polling day, then I believe you would certainly not serve the purpose that we have in mind, which is to allow as free an expression as possible of the will of the people.

This question was considered last year in committee. There was a similar proposal by a member of the C.C.F. party. I read the minutes of evidence with care, and I believe the question received considerable attention by the members of the committee at that time. The proposal that was then submitted, and which was similar to the one we are now considering, was defeated by an imposing majority. Reasons other than the ones I have already mentioned were also brought forward.

Other reasons than those which I made known do also justify us in thinking that this measure should be opposed. There is the question of cost. We have been informed by the chief electoral officer that during the last election about 240 advance polls were established. The cost of these advance polls

was about $100 each. The voters who availed themselves of the right to vote at those 240 advance polls numbered a little over 10,000. I have been informed by the chief electoral officer that if we were to accept the proposal made by the hon. member we would have to increase a number of advance polls considerably in both the rural and urban districts. It is his own feeling that it would necessitate the establishment of about one advance poll for every 15 polls in the urban districts, and one advance poll for every five polls already established in the rural districts.

The result would be, at the cost I have already mentioned, that it would require about $500,000 to take care of them all. I am not stating that this question of costs should in itself be considered as a very serious obstacle, provided of course that we would be able to obtain results which would be beneficial to the Canadian people. But I do not think such would be the case. If we were to establish too many of these advance polls, as I said before, interest would be lost in the election day itself.

As was mentioned in the committee last year, we would allow impersonation to take place to a greater extent than has happened in past elections, as a result of these advance polls being established. It would impose upon political parties the necessity of multiplying the number of agents in each of those advance polls. It would be very costly for political parties, and again it would not eliminate the danger of impersonation of electors.

Another important thing comes to my mind. There would be a period of nine days, according to the proposal we have here, during which the deputy returning officer would be in possession of the ballots cast. In other words, during that period of nine days an official, appointed, it is true, by the government in the person of the deputy returning officer, would have in his possession a great number of ballots—I believe the number would tend to increase at every election—that were cast at these advance polls. It would mean that during that period of time this man would be in a position to determine, not for whom the votes had been cast but what proportion of the votes that appeared on the electoral list had already been cast. It would mean that there would be a number of returning officers in those advance polls in Canada who would be able to say just what proportion of votes had already been cast and we would then be able to know during the nine days that remained, for instance, only 40 or 45 per cent of the electors had not yet cast their votes, so that the election would be of interest only to the remaining group of people in Canada.

[Mr. Pinard.]

I think that is a wrong principle. I am in favour of extending the right to vote to as many people as possible, but I believe this is a wrong approach. For all of these reasons I believe we should oppose this measure. We should oppose it because of the fact that it would reduce the importance of polling day itself; because it would increase the cost, and for that reason it would not benefit the country. Finally, it would render possible violations of the Canada Elections Act to a greater extent. For all these reasons I am going to oppose the measure.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, if the hon. member for Winnipeg North Centre had convinced me that his proposition was one to raise the percentage of votes in a general election, I would have been in favour of it; but he did not convince me that such a proposition would increase the percentage of votes in any general election.

My first reason for opposing it is that it would confuse the minds of the electors with respect to the propriety of casting their votes. We are all in favour of the principle of enlarging the right to vote, but in doing so we must bear in mind that the people of a democratic country are called upon to vote on a definite date, as was stated by the Secretary of State, and only those who cannot be in a position to cast their votes on that definite date are entitled to vote at an advance poll.

At the present time those who are given the right to vote at an advance poll are as follows, and I propose to read the explanatory note which is embodied in the bill:

The privilege of voting at an advance poll shall extend and shall extend only—

A list appears of the limited number of voters including commercial travellers, fishermen, and such persons as are employed upon railways, vessels, airships, members of the reserve units of the Canadian forces and members of the R.C.M.P., et al.

We know that by reason of their duties such people are not in a position to cast their votes on a definite polling date. I therefore consider that it is right to extend to them the right to vote on another date, but I am nevertheless opposing this bill very strongly, especially in view of the clause which would extend the right to vote at an advance poll to anybody in any circumstances. This is the amendment proposed by the hon. member for Winnipeg North Centre to section 95 of the elections act. This section reads as follows:

Mr. Speaker: Order. Will the hon. member be good enough to make his point without referring to the clause.

Mr. Boisvert: The clause in question mentions, as I started to say, that anybody in any circumstances would be entitled to go to an advance polling booth and make a declaration that for one reason or another he should be entitled to vote at this poll. What does that mean? It means that Mr. So and So from Nicolet-Yamaska, having an idea that he should make a journey—

Mr. Knowles: To Winnipeg.

Mr. Boisvert: —from Montreal to Winnipeg, would go to the advance poll and say, "I intend to make a pleasure trip to Winnipeg", or to any other place.

An hon. Member: It would not be a pleasure trip if he were going to Winnipeg.

Mr. Boisvert: Having stated that, the man would be entitled to vote at the advance poll. It would be a very easy process if any voter were entitled to vote at an advance poll as is proposed by my hon. friend, and it would disturb the election in that many people might decide that for one reason or another they had to vote at the advance poll. What would be the result? Half the population would go to vote at the advance poll and the other half would wait until they could vote on the real polling date. At the next general election perhaps three-quarters of the voters in a constituency would decide to vote at the advance poll, and we would have to change the law and eventually amend it so that everyone would be required to vote at an advance poll and we would have achieved the same result.

Mr. Knowles: Pretty soon you will have everyone in Winnipeg.

An hon. Member: Will the hon. member be here then?

Mr. Boisvert: Therefore why not leave it as it is? I am always afraid of innovation.

An hon. Member: You are old-fashioned.

Mr. Boisvert: And that kind of innovation—

Mr. Knowles: Is the hon. member not a Liberal? I thought Liberals believed in reform.

Mr. Boisvert: I believe in reform if it is in the right direction but this is in the wrong direction, as are many of the proposals which are made in this house from the other side.

Mr. Knowles: My hon. friends are moving to the right, all right.

Mr. Boisvert: Coming back to the proposition, I would state as a second consideration that in urging more advance polls for people who would like to vote ahead of time the hon. member is also proposing to extend the period between the polling date and the nomination date from 14 to 25 days, I believe.

Mr. Knowles: Twenty-one.

Mr. Boisvert: I think to do so would be to take another step in the wrong direction for a reason which I shall state. We are aware that it is extremely easy to find candidates for any general election. If we extend too much the period of time between the nomination date and the polling date it will be very difficult to find the right candidate to run in any riding in this country and I would think that enlarging the period of time is a bad move.

It would also increase the cost of elections. We find that a period of 16 days from the date of nomination to the polling date is quite an expensive proposition. Hon. members on the other side frequently claim that this is true. If we extend that period of time all parties, and even the C.C.F. party, would be faced with an expenditure much greater than the expenditure we are presently obliged to meet in general elections.

Mr. Speaker, I move the adjournment of this debate.

On motion of Mr. Boisvert the debate was adjourned.

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:

CANADIAN NATIONAL RAILWAYS PENSIONS

Question No. 17—**Mr. Knowles:**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25 per month?

2. How many are in receipt of only the basic pension of $25 per month?

3. How many are in receipt of non-contributory service pensions, (a) $25.01 to $29.99 per month; (b) $30.00 to $39.99 per month; (c) $40.00 to $49.99 per month; (d) $50.00 to $59.99 per month; (e) $60.00 to $69.99 per month; (f) $70.00 to $79.99 per month; (g) $80.00 to $89.99 per month; (h) $90.00 to $99.99 per month; (i) $100.00 to $124.99 per month; (j) $125.00 to $149.99 per month; (k) $150 or over per month?

4. How many are in receipt of pensions in part basic and in part contributory, (a) $25.01 to $29.99 per month; (b) $30.00 to $39.99 per month; (c) $40.00 to $49.99 per month; (d) $50.00 to $59.99 per month; (e) $60.00 to $69.99 per month; (f) $70.00 to $79.99 per month; (g) $80.00 to $89.99 per month; (h) $90.00 to $99.99 per month; (i) $100.00 to $124.99 per month; (j) $125.00 to $149.99 per month; (k) $150 or over per month?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1. 8 (pensioned under C.N.R. plan prior to 1935).

2. 3,138.

3.

per month	
(a) $25.01 to $29.99	998
(b) $30.00 to $39.99	626
(c) $40.00 to $49.99	422
(d) $50.00 to $59.99	169
(e) $60.00 to $69.99	80
(f) $70.00 to $79.99	73
(g) $80.00 to $89.99	26
(h) $90.00 to $99.99	24
(i) $100.00 to $124.99	23
(j) $125.00 to $149.99	7
(k) $150 or over	11
	2,459

4.

per month	
(a) $25.01 to $29.99	420
(b) $30.00 to $39.99	1,671
(c) $40.00 to $49.99	1,452
(d) $50.00 to $59.99	1,141
(e) $60.00 to $69.99	1,072
(f) $70.00 to $79.99	1,107
(g) $80.00 to $89.99	1,094
(h) $90.00 to $99.99	971
(i) $100.00 to $124.99	2,039
(j) $125.00 to $149.99	1,398
(k) $150 or over	2,311
	14,676

C.N.R. EMPLOYMENT TERMINATIONS, NEWFOUNDLAND

Question No. 93—**Mr. Stick:**

1. How many employees of the Canadian National Railways in Newfoundland, in 1956 to date, have received notice of termination of employment?

2. How many employees will receive notice of termination of employment in Newfoundland owing to dieselization of the railway, and what position will said employees be in regarding rights of pension?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1. As of February 2, 1956: None.

2. A number of diesel units will be delivered this summer. Following this there will be adjustments and reductions in motive power staff extending over a nine to twelve-month period. Personnel displacement is estimated at 165, but this figure may vary and every effort will be made to place in other work employees affected. Union representatives have been kept informed of the changes that are likely to result from the dieselization program.

No general statement can be made as to the position in respect of pensions of the employees affected by reduction in staff as all employees are not in the same status and the position of each individual must be considered separately.

NATURAL GAS—RATE CONTROL AUTHORITY

Question No. 94—**Mr. Regier:**

1. Has the board of transport commissioners jurisdiction over the rates charged for natural gas supplied to the pipe-line transmission companies by the owners of natural gas wells?

2. If not, who has jurisdiction in this matter?

3. If so, was a price established for natural gas supplied Westcoast Transmission Company Limited, and (a) what was the rate per M.C.F.? (b) what measuring stick did the board use in setting the rate?

Answer by: **Mr. Marler:**

1. The Board of Transport Commissioners for Canada considers that it does not have jurisdiction over the rates charged for natural gas supplied to the pipe-line transmission companies by the owners of natural gas wells.

2. The board considers that the legislatures of the provinces have jurisdiction because it is not within the legislative jurisdiction of parliament to regulate and control the terms and conditions of the acquisition of natural gas and oil merely because such gas and oil are being acquired by an interprovincial pipe-line company.

3. See answer to No. 1.

AMATEUR RADIO OPERATORS, TRURO, N.S.

Question No. 107—**Mr. Purdy:**

1. Has the government and/or the management of the Canadian National Railways had their attention drawn to the outstanding service rendered by a number of amateur radio operators in and around Truro in connection with the movement of trains and the maintaining of communication services, during the recent storm in the maritimes?

2. If so, is consideration being given to suitable recognition of such service?

Answer by: **Mr. Marler:**

The Canadian National Railways advise as follows:

1 and 2. The valuable service rendered by amateur radio operators in and around Truro when ordinary communication facilities in the maritimes were disrupted was of great assistance to the Canadian National Railways. The management recognize that train operations in the face of serious difficulties were greatly aided by the operators of amateur radio stations and have expressed to the individuals concerned the grateful appreciation of the railway system.

NORTHERN ALBERTA RAILWAYS—TONNAGE-REVENUE STATISTICS

Question No. 149—**Mr. Leboe:**

1. What was the total tonnage hauled by the Northern Alberta Railways to and from Hines Creek and Dawson Creek for the years 1946 to the last year figures are available?

2. What was the freight revenue from these points for the same years?

Answer by: **Mr. Marler:**

1 and 2. The Northern Alberta Railway Company is jointly owned by the Canadian National Railways and the Canadian Pacific Railway Company and is not an agency of the crown. Information relating to its internal operations is not furnished to the Department of Transport. Following inquiries, the dominion bureau of statistics advises that it has no record of tonnages or revenues as between particular points.

WEATHER SHIPS "STONETOWN" AND "ST. CATHARINES"—CREWS

Question No. 182—**Mr. Cameron (Nanaimo):**

1. What are the rates of pay of the crew members of the two weather ships, *Stonetown* and *St. Catharines*, which are stationed in the north Pacific?

2. What are the working conditions with regard to periods of duty and relief?

3. Is time served on these ships accepted for purposes of qualifying for deep sea master and mates certificates?

Answer by: **Mr. Marler:**

1. Yearly rates of pay

Classification	C.G.S. *St. Catharines*	C.G.S. *Stonetown*
Master	$5460	$5460
Chief officer	4224	4224
Second officer	3816	3816
Third officer	3540	3540
Chief engineer	5256	5256
Second engineer	4224	4224
Third engineer	3816	3816
Fourth engineer	3540	3540
Junior engineer	3408	3408
Deck engineer	3408	3408
Chief steward	2988	2988
Second steward	2532	2532
Chief cook	3048	3048
Second cook	2664	2664
Third cook	2472	2472
Boatswain	2580	2580
Boatswain's mate	2460	2460
Fireman	2520	2520
Oiler	2556	2556
Quartermaster	2520	2520
Seaman	2400	2400
Waiter	2088	2088
Donkeyman	2580	2580

Note: All officers receive an additional amount of $120 per annum ($10 monthly) in lieu of overtime. Unlicensed personnel are granted compensatory leave for a period equal to the hours of duty performed beyond 40 hours in a week.

2. Each vessel alternately remains on station for a period of 42 days. Sailing time to and from the station is seven days, making a total of 49 days at sea. On completion of each tour of duty the vessel remains in port for five weeks. General ship work is undertaken while in port and when completed, any compensatory leave earned is granted. The crew of the stand-by vessel *St. Stephen* assist in the maintenance and security of a station ship as required.

3. Yes, on basis of actual sea time performed rather than on total time spent on articles.

SUCCESSION DUTY COLLECTIONS

Question No. 216—**Mr. White (Hastings-Frontenac):**

What amount was collected under the Dominion Succession Duty Act, in each province in the years 1950, 1951, 1952, 1953, 1954 and 1955?

Questions

Answer by: **Mr. McCann:**

DEPARTMENT OF NATIONAL REVENUE

TAXATION DIVISION

Succession Duty Collections

(fiscal years ended March 31)

Province	1950	1951	1952	1953	1954	1955
	$	$	$	$	$	$
Newfoundland	86,082	232,872	261,396	304,502	223,429	241,983
Prince Edward Island	145,990	79,100	22,058	123,184	72,304	109,405
Nova Scotia	601,340	1,009,428	744,421	1,444,701	2,014,099	2,106,114
New Brunswick	655,851	988,426	518,153	946,737	1,097,680	953,246
Quebec	9,093,781	6,319,126	6,818,068	6,770,603	6,641,699	7,402,108
Ontario	12,169,371	16,455,023	21,402,756	18,978,406	18,670,833	20,871,606
Manitoba	1,201,732	3,367,890	1,606,921	1,735,926	1,509,163	1,832,380
Saskatchewan	761,746	482,042	642,019	1,000,383	948,909	958,615
Alberta	1,481,254	1,839,099	1,252,024	2,262,749	1,900,970	2,719,781
British Columbia	3,722,747	2,818,109	4,922,024	4,500,610	6,020,536	7,553,312
Yukon	−114*	7,974	18,145	2,728	37,972	19,479
Total	29,919,780	33,599,089	38,207,985	38,070,529	39,137,594	44,768,029

* Refunds in excess of collections.

NOTE.—The above amounts represent the collections made by district taxation offices located in the respective provinces.

SCRAPIE DISEASE, ALBERTA—SHEEP

Question No. 223—**Mr. Quelch:**

1. How many sheep were in the flock in Alberta recently condemned on account of scrapie?
2. What compensation is being paid the owner of the flock?
3. (a) When was it first ascertained that any of the sheep in this flock had scrapie? (b) How many showed signs of the disease?
4. How many sheep were sold as breeding stock during the two years immediately prior to the time it was ascertained that some of the flock had scrapie (a) in Canada; (b) in the United States?
5. Were any sheep sold for breeding stock after the disease had been diagnosed as scrapie?
6. Have the flocks of the breeders who received breeding stock from the infected flock been checked for any sign of this disease?
7. If so, did any of the sheep show symptoms of scrapie?

Answer by: **Mr. Gardiner:**

1. 649.
2. Not yet determined.
3. (a) January 16, 1956.
   (b) Two.
4. Details of private transactions received from a breeder in the course of disease investigations are regarded as confidential.
5. No.
6. In part; investigations proceeding.
7. No.

SALMON PROTECTION, EASTERN SEABOARD

Question No. 233—**Mr. Van Horne:**

What action, if any, has been taken to protect salmon frequenting rivers along the eastern seaboard such as the Restigouche river and its tributaries?

Answer by: **Mr. Sinclair:**

The department's protection staff in the maritime provinces, exclusive of patrol boat crews, consists of 109 fishery officers, 88 wardens and 199 guardians. All of these employees, with the exception of 10 or 12 guardians who are employed almost exclusively in connection with oyster leases and lobster pounds, carry out patrols along the rivers in their districts to enforce the Fisheries Act and the regulations made thereunder.

The regulations designed to protect the runs of Atlantic salmon during the freshwater phase of their life history are based on the results of scientific investigations as far as possible and these are revised regularly as new facts are developed from research. The salmon runs are also protected by means of licence control for commercial fishermen, catch limits for anglers, restrictive seasons, and size limits.

Further protection is provided by the department's Atlantic salmon research and management program carried out by the

fisheries research board and the conservation and development service. This program has expanded considerably during the last three or four years, and includes the following major projects:

(1) The marking of smolts and subsequent analysis of recaptures as adult salmon to determine the percentage survival at this stage in the life history, migration routes, and the contribution of the production of specific rivers to the various fisheries.

(2) Determination of the optimum escapement required to seed fully specific rivers.

(3) A survey of all salmon streams of the Atlantic provinces to provide a full inventory of possible sources of pollution, location of obstructions to migration, and the extent of suitable spawning and nursery areas.

(4) Experimental predator control to protect the young stages of salmon.

C.B.C.—COLOUR TELEVISION

Question No. 254—**Mr. Thatcher:**

1. How many colour television sets are there in Canada?
2. How much did the Canadian Broadcasting Corporation spend during 1955 on experimental colour television shows?
3. What is the estimated expenditure, if any, which the Canadian Broadcasting Corporation will spend on experimental colour television shows during 1956?

Answer by: **Mr. McCann:**

The Canadian Broadcasting Corporation advises as follows:

1. Statistics not available.
2. Nil.
3. Nil.

HOUSE OF COMMONS

Monday, March 12, 1956

The house met at 2.30 p.m.

DOMINION-PROVINCIAL CONFERENCE

STATEMENT RESPECTING CONFERENCE HELD ON MARCH 9

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to refer very briefly to the federal-provincial conference. At the October meeting it was agreed that this conference would resume in committee at a time to be fixed by the Prime Minister after consultation with the premiers of the provinces. In reply to my letter of January last outlining the fiscal proposals put forward by the federal government, some of the provincial premiers did suggest another meeting.

In my letter of February 18, 1956, I said:

> Since our federal responsibilities and commitments are now so heavy that we would not be warranted in making any increase in the basic offer we made in January, it may be that the provincial governments generally would not feel that there would be any advantage to be derived from another meeting to discuss fiscal relations.

The replies to my letter indicated, however, that a further meeting in committee was desired.

The conference resumed Friday morning, March 9, and adjourned at five o'clock that day. Although the meeting was, as had been agreed, in camera, it was agreed at the beginning that each delegation could make public any statement it wished to make during the meeting. Some of these statements have been made public and several provincial representatives have made additional comments to the press. I will not endeavour to add to what has appeared in the press, or comment on the substance of the matter before the budget debate. I should like, however, to table the statement made by the federal Minister of Finance at the conference and also a statistical table distributed to the provincial premiers which shows an estimate of how the federal proposals would operate in the fiscal year 1957-58. It should be noted that these figures are illustrative only and that they are based on an assumed increase of 5 per cent per annum over the 1955 levels in the yields of standard taxes and the insurance premium tax.

Perhaps hon. members would wish to have the statement of the Minister of Finance and the statistical table printed as an appendix to *Hansard*, as was done with the other documents relating to this matter.

Mr. Speaker: Do hon. members agree to this proposal?

Some hon. Members: Agreed.

(*For text of documents see appendix, pages 2065-68.*)

REQUEST FOR NEW APPROACH FOLLOWING REPORTED BREAKDOWN OF CONFERENCE

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): In view of the fact that the dominion-provincial conference has, according to newspaper reports, broken down, will the Prime Minister advise the house whether or not he is prepared to consider a new approach to the problem which would be more satisfactory to the premiers of the provinces?

Right Hon. L. S. St. Laurent (Prime Minister): I had not seen any reports that the conference had broken down.

Mr. Rowe: Broken up, probably.

Mr. St. Laurent (Quebec East): It came to an end. The statement I have laid on the table this afternoon and the statistical table illustrates the manner in which the proposals would operate, and represent the government's proposals. Now, there have been very large additional demands which the government felt, under present circumstances, could not be met.

Mr. Rowe: May I ask a supplementary question? Is it the intention of the Prime Minister to have another conference in the near future?

Mr. St. Laurent (Quebec East): Not unless we see some way of having more funds available for distribution because there was approval of the principle as being a step in the right direction. The contention was that it was not a long enough step, but it was as long a step as we thought we could make under present circumstances.

[*Later:*]

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Can he say whether any further concessions were made to the provinces at

the recent conference, and whether those concessions were made at the general conference discussion or at some other place?

Mr. St. Laurent (Quebec East): Mr. Speaker, the provinces would not admit that anything that is proposed is a concession. There were explanations made as to how the retirement from the field of taxation on insurance premiums might operate. I know of nothing further that could be regarded as a concession or as an increase in the burden the proposals would mean for the federal treasury.

Mr. J. M. Macdonnell (Greenwood): I have a supplementary question, Mr. Speaker. Does the Prime Minister consider that the provincial premiers who travelled hundreds, and, in some cases, thousands of miles, to be here on Friday, had been adequately warned that they were coming here only to be told that there was nothing new to tell them?

Mr. St. Laurent (Quebec East): Mr. Speaker, the hon. gentleman can interpret himself the terms of the letter I wrote when I suggested to them that that being the situation it might very well be that they would not generally feel it was useful to have another discussion on fiscal policies at this time.

[*Later:*]

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister with reference to the documents he has tabled today? What has happened to the principle of federal control over taxation levels so as to deal with inflation and deflation when necessary in the public interest?

Mr. St. Laurent (Quebec East): The passing of the British North America Act in 1867.

TRANS-CANADA AIR LINES

REFERENCE OF ANNUAL REPORT, AUDITORS' REPORT AND CAPITAL BUDGET TO RAILWAYS AND SHIPPING COMMITTEE

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have today laid on the table, in accordance with standing orders, the annual report of Trans-Canada Air Lines for the year 1955 and the auditors' annual report to parliament of Trans-Canada Air Lines for the year ending December 31, 1955. Copies of both these reports have been made available for distribution to all hon. members. I now wish to move:

That the annual report of Trans-Canada Air Lines for 1955, the auditors' annual report to parliament of Trans-Canada Air Lines for the year ending December 31, 1955, tabled this day, and the capital budget of Trans-Canada Air Lines for the year ending December 31, 1955, tabled on Wednesday, March 7, 1956, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS TO PROVIDE FOR NEW THREE-YEAR POOL, MAXIMUM GUARANTEE OF LOANS, ETC.

Right Hon. L. S. St. Laurent (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to bring in a measure to amend the Farm Improvement Loans Act by providing for a new three year pool commencing April 1, 1956, and ending March 31, 1959; to provide further that the maximum amount of bank loans made in the new period and guaranteed under the act shall be three hundred million dollars.

Motion agreed to.

MOTIONS FOR PAPERS

CIVIC CENTRE, BANFF, ALBERTA

Motion No. 34—**Mr. Johnston (Bow River):**

For a copy of all correspondence, telegrams, memoranda or other documents exchanged, during last three months, between the government and the superintendent of the Banff national park and/or citizens of Banff, relating to the erection of a civic centre in Banff.

Mr. Lesage: Mr. Speaker, the motion reads in part as follows:

For a copy of all correspondence . . . exchanged . . . between the government and the superintendent of the Banff national park . . .

Such exchanges are, I believe, of a privileged character as between officials of the government. I therefore could not acquiesce in that part of the motion. As to the balance of it, I have no objection.

Mr. Speaker: Is it agreeable that the motion be carried subject to the remarks made by the minister?

Some hon. Members: Agreed.

DISABLED PERSONS ACT

Motion No. 40—**Mr. Zaplitny:**

For a copy of all correspondence, telegrams, memoranda and other communications exchanged between municipal authorities in the province of Manitoba and the federal government or any department thereof, with respect to the Disabled Persons Act, since January 1, 1955.

Mr. Robertson: Mr. Speaker, we are prepared to accept this motion subject to the usual reservation with regard to securing approval of these governments.

Mr. Speaker: The motion is carried subject to receiving approval of the governments concerned.

Mr. Coldwell: Mr. Speaker, does the hon. gentleman mean subject to the approval of the municipalities?

Mr. Robertson: Yes.

Mr. Coldwell: Surely this is going beyond anything we have ever had before. It holds the house down in receiving information. I do not think we should extend to the municipalities the courtesy that we extend to the provincial governments. I think this is a wrong procedure.

Mr. Robertson: We might allow it to stand in the meantime.

Mr. Coldwell: Yes.

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

RABIES

STATEMENT RESPECTING REPORTED OUTBREAK IN SOUTHERN ONTARIO

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): In answer to the question asked by the hon. member for Brant-Haldimand (Mr. Charlton), I should like to read the following memorandum with regard to rabies control:

Control measures followed in dealing with the present rabies outbreak in Ontario are (1) the isolation and quarantine of all suspicious domestic animals and of all animals which have been in contact with them; (2) in affected areas the strict application of control orders on dogs, with stray animals being impounded or destroyed; and (3) the operation of clinics for the free vaccination of dogs and cats where the incidence of the disease is considered to warrant it.

Every reported suspected case of rabies is immediately investigated by federal veterinary officers. The animal is isolated and, if rabies symptoms develop to the later stages, which is necessary for laboratory diagnosis, its head is sent to the department's laboratory. The veterinarians also quarantine for observation all animals known or suspected of having been in contact with the suspicious animal.

The tying up of all dogs in affected areas, and the disposal of strays, is an extremely important part of the control program. While such an order can be applied under the federal Animal Contagious Diseases Act, most municipalities also have dog ordinances which can serve the same purpose. In the present outbreak in Ontario this has been attended to adequately to date by local authorities.

Where rabies has occurred under circumstances which necessitate complete vaccination of all dogs and cats in the area as a control measure, vaccination clinics for that purpose are operated by the federal Department of Agriculture. Such clinics have been or are being operated widely in all districts of northern Ontario, in Renfrew, Victoria, Hastings and Northumberland counties and in an area around Galt and Guelph in Wentworth, Wellington, Waterloo and Brant counties. Approximately 51,000 dogs and cats have been vaccinated to date in those clinics. There is no charge for the vaccination of dogs or cats at those clinics but the government does not bear any part of the cost of having animals vaccinated privately apart from the clinics.

The present outbreak has centred very largely in northern Ontario which is, of course, the outcome of the fact that the primary focus of infection is in northern wildlife, and the northern areas are the most exposed to wildlife. One hundred and eleven cases were diagnosed in Ontario between April 1, 1955, and March 9, 1956, with 67, or well over half, being in wildlife. Eighty-six of those cases have been in the area north and west from Nipissing and Parry Sound. The next heaviest area of infection has been in that part of the province, which is also reasonably exposed to wildlife, bounded by Haliburton and Renfrew on the north, Hastings on the east and Victoria and Durham on the west. There have been 19 cases diagnosed in that general area.

Apart from central and northern Ontario, only six cases of rabies have been diagnosed in the province in the present outbreak, up to March 9. These consisted of one fox in Bruce county, two foxes in York county, one dog in Simcoe county on January 9, one dog near Galt on February 21 and a cat near Guelph on March 9.

Mr. L. E. Cardiff (Huron): I should like to ask if there is any scarcity of vaccine? I saw a report which indicated that one veterinarian had vaccinated all the animals he could but he was only able to get enough vaccine for a certain number. Is there any scarcity of vaccine?

Mr. Gardiner: I have no report that there is any scarcity. It could be that one veterinarian could be out or may have utilized all he had available. It takes some little time to get more.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—ARRANGEMENTS TO ABSORB EMPLOYEES LOSING EMPLOYMENT

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, in so far as my department is concerned, may I reply to the question of the hon. member for Hamilton West (Mrs. Fairclough), which she asked on March 5. I refer her to the question of the hon. member for Trinity-Conception (Mr. Stick), and the reply which was given by the Minister of Transport, which appears on page 759 of *Hansard*. It will be seen from that answer that there had been no men laid off by the Canadian National Railways on account of dieselization.

Then, a question was placed on the order paper by the hon. member for Trinity-Conception, which was replied to by the Minister of Transport, as reported on page 2010 of *Hansard* of Friday last, which the hon. member for Hamilton West has doubtless seen. I am sure these two replies answer the main points in the questions of both hon. members. But, in so far as it applies to the Department of Labour, should the necessity arise, after everything is done by the Canadian National Railways to provide work for employees laid off owing to dieselization, my department and the national employment service will make every effort to assist in securing other work, as is being done in other parts of Canada.

REQUEST FOR ANNUAL REPORT AND RELATED DOCUMENTS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of Transport whether we may expect to receive within the next day or two the annual report of the Canadian National Railways, and related documents to go before the sessional committee?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I should like to say that I hope to be able to deposit the annual report for last year on Wednesday next and at the same time the capital budget of the Canadian National Railways.

TRURO, N.S.—REQUEST FOR ADDITIONAL MOTIVE POWER

On the orders of the day:

Mr. G. T. Purdy (Colchester-Hants): Mr. Speaker, I have a question I wish to direct to the Minister of Transport of which I have given him notice. In view of the repeated reports of heavy congestion in loaded freight cars in the Truro, Nova Scotia, yards and nearby sidings, and more particularly in view of the specific report that a rush car consigned to Quebec and arriving in Truro on March 1 was still there on March 9, will the minister press on the railway management the necessity of providing further motive power in the district in order to clear the congestion and relieve industry in our province from this further handicap?

Mr. Speaker,—

Mr. Speaker: Order. The hon. member's question was long enough; perhaps we should let the minister answer now.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am sorry that I received the notice just before I came into the house and I have not been able to obtain the information in order to give an answer.

ST. LAWRENCE SEAWAY

LAKE LEVELS—DEEPENING OF WELLAND CANAL

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I should like to reply to two questions put to the Secretary of State for External Affairs by the hon. member for Lambton West concerning the Welland canal. He asked:

Is the Welland canal kept open after navigation closes in the fall in order to take water from the great lakes?

The reply to that question is that, after the close of navigation, water is supplied through the canal for domestic use by adjacent municipalities, for process water by various commercial establishments and for power purposes, and is conducted through weirs and the canal channel but not through the locks.

The second question was:

If in the St. Lawrence seaway project the Welland canal is to be deepened, how much extra water would flow through the canal?

The answer is that the volume of water passing through the canal will not be increased by the deepening to which I have just referred.

GRAIN

WHEAT—REPORTED WIDENING OF PRICE MARGIN BETWEEN GRADES

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I wish to ask the Minister of Trade and Commerce a question in view of a statement that appeared in the *Financial Post* now on the newsstands. The report is to the effect that the wheat board has widened the margin of prices between grades No. 1 and No. 5

wheat from 13 cents to 40 cents. Will the Minister of Trade and Commerce advise the house if this wheat priced at 40 cents below grade No. 1 is being offered to Ontario farmers as feed grain?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, there has been no change in the price of No. 5 wheat for two or three months, as far as I know, but certainly the Ontario buyer obtains the lowest price at which any wheat of the same grade is offered to any buyer. The price of No. 5 wheat is the same to any buyer.

NATURAL GAS

INQUIRY AS TO CONTROL OVER PRICES

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In view of the recent statement by the attorney general of Ontario to the effect that the province has no authority over prices to be charged by Trans-Canada Pipe Lines Limited to distributors of natural gas, is it the intention of the federal government to exercise control over such prices?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the government of the province of Ontario undoubtedly has the authority to regulate the prices of gas to the consumer and in fact has passed legislation to that end. With the price to the consumer regulated, it seems to me there is effective, even though indirect, regulation of the price that the pipe line can charge a distributor. I notice in the press that the chairman of the board of transport commissioners was reported to have said that the board has no authority to regulate the price of gas in the pipe line even though the pipe line is interprovincial in character.

UNEMPLOYMENT INSURANCE

WINNIPEG—QUALIFICATION OF CONSTRUCTION WORKERS

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister received a letter from the building trades council of Winnipeg, dated February 9, 1956, on the subject of unemployment insurance coverage for construction workers? If so, what is the intention of the government in facilitating the qualification of construction workers for unemployment insurance benefits, as suggested in the letter?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I am quite sure I have received the letter, and the steps being taken with regard to it are the same as those applying to similar letters from other parts of Canada in that the commission is very carefully looking into the effects of the application of unemployment insurance as set out in that letter and will be able to make some recommendations thereon later on this winter.

COMBINES INVESTIGATION ACT

BEER—ACTION TO BE TAKEN CONCERNING ALLEGED COMBINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. Can the minister say whether a decision has yet been taken as to whether the government will take any action with respect to the report concerning an alleged combine in the manufacture, sale and distribution of beer in Canada?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, as I indicated on a previous occasion, we submitted this report to counsel in Toronto and after having considered it in a preliminary way he became ill and had to undergo a serious operation. We shall not be able to reach a decision ourselves until we get his opinion.

NATURAL RESOURCES

ASSISTANCE TO PROVINCES IN TAKING FOREST INVENTORIES AND REFORESTATION

On the orders of the day:

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, under the Canada Forestry Act, agreements were made in 1951 and 1952 with eight provinces for the purpose of lending assistance to inventory the various provinces' forestry resources and to assist in reforestation. In order to continue and if possible to extend this aid the federal government has taken the following decisions:

1. To continue assisting the provinces in reforestation programs.

2. To extend from March 31, 1956, to March 31, 1958, the termination date of the present agreements for the forest inventories. This will allow the provinces which so need it a two-year period to complete their inventories and will also allow provinces which did not sign the agreements to enter the program for a two-year period.

3. To offer assistance to the provinces to keep up-to-date the forest inventories. These

agreements, which would be effective for a five-year period ending March 31, 1961, would provide that the federal government would pay half the cost of maintaining the inventories.

The reforestation agreements have been useful and are being continued for those provinces which so wish. New tree nurseries have been established with federal assistance in a few provinces. Under this program nearly 58 million trees have been planted.

The purpose of the inventory program is to assess as well as possible all provincial forest resources and to maintain up-to-date records of this resource so that provincial governments will have a reliable basis for the effective administration and management of their forests.

Inventories, like any other stocktaking, tend to become out of date unless they are revised on a continuous basis. Hence the federal government is prepared to enter into further agreements to pay half the cost of keeping these inventories in step with changing forest conditions.

DRUGS

USE OF STILBESTROL IN POULTRY AND LIVESTOCK FEEDS

On the orders of the day:

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): Mr. Speaker, on Friday last the hon. member for Elgin (Mr. McBain) directed a question to the Minister of National Health and Welfare (Mr. Martin) as follows:

> Is it now legal in Canada to use the drug stilbestrol in poultry and livestock feeds?

A similar question was placed on the order paper by the hon. member for Kent, Ont. (Mr. Huffman) and was answered on March 5, as recorded on page 1827 of *Hansard* of that date. In addition I would refer the hon. member to a comprehensive article which appeared in the St. Thomas *Times-Journal* of March 9.

TRADE

WHEAT—INQUIRY AS TO REPORTED SALES TO HUNGARY

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister say whether negotiations are now being conducted with Hungary for the purchase of a large quantity of Canadian wheat, namely, 3,600,000 bushels as suggested by Vic Mackie in an article recently in the Winnipeg *Free Press.*

[Mr. Lesage.]

Right Hon. C. D. Howe (Minister of Trade and Commerce): Negotiations with Hungary were completed some days ago for the purchase of 5,500,000 bushels of wheat.

FREIGHT RATES

GRAIN, HOGS AND CATTLE—INQUIRY AS TO EFFECT OF RECENT INCREASE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister say what effect, if any, the boost in freight rates which went into effect on Wednesday, March 7, will have on grain, hogs and cattle shipped to the United States?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I received notice of this question only a few moments ago and shall have to make inquiries in order to be able to answer.

DISABLED PERSONS

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, may I inquire of the Minister of National Health and Welfare when I may expect an answer to my question of February 17?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I was not aware that the hon. member had not had an answer to a question which he had put to me. I assure my hon. friend that he in particular will receive a quick reply.

SUPPLY

Hon. Stuart S. Garson (for the Minister of Finance) moved that the house go into committee of supply.

AGRICULTURE—ECONOMIC POSITION OF INDUSTRY

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this motion affords the traditional opportunity for members to advance what they believe to be matters of importance, and to move amendments in order to secure a vote of the house on the matter that is brought before the house. Indeed, under today's constitutional system the right to withhold supply is one of the very few rights still enjoyed by the members of the House of Commons.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Diefenbaker: I intend on this occasion to devote my time to an outline of the position of the Canadian farmer. Other members of the Progressive Conservative party will direct their attention to the amendment which I intend to move and will fill in the necessary details. As far as I am concerned, I will merely outline the problem.

I think it will be agreed generally, for certainly it is the view of the Canadian Federation of Agriculture, the farm union organization of Canada and other farm organizations, that in every province the farmer today is caught in a ruthless and unrelenting squeeze between falling prices of farm products and rising costs of production. I am not in any way advancing an argument of depression when I say that the squeeze is of such a nature that, unless action is taken to meet it, it will, unless curbed, lead inevitably to bankruptcy of Canada's outstanding industry. That trend applies equally to the apple and the potato grower, the field crop producer, the dairy farmer, the livestock producer and the wheat farmer.

It is true that some protection against this trend has been afforded by the Agricultural Prices Support Act, but to too great an extent that act has been applied in piecemeal fashion and, indeed, in considerable measure has become a dead letter. There have been glaring inconsistencies in its administration. I need only mention one in connection with the maintenance of the floor on butter, and there is no objection taken to that. The government found itself in the position of having a surplus, which was not a surplus according to the Minister of Agriculture (Mr. Gardiner), and it committed what to many Canadians was an inexcusable act of policy. It purchased butter, it maintained the price, and then it sold a considerable portion of that butter to a communist country at a price some 21 cents less than Canadians were paying for butter. That, indeed, is regarded by many Canadians as an example of asininity in the government's ramshackle policy in the administration of the protection to which agricultural products are entitled under the act in question.

Take the question of hog prices. We have had this controversy over and over again in the past and yet, while the government denies that hogs are being purchased on the markets at less than the established floor prices, any member from the western provinces must inevitably, in the nature of things, have received letters including bills which indicate clearly that the floor is being breached and that farmers are not receiving the protection to which they are entitled. The fact is that the law lacks teeth to punish wrongdoers. Every farmer must become his own police officer; otherwise his rights cannot be preserved.

There is a constitutional division of powers which I am glad to learn will receive the attention of the Supreme Court of Canada during the coming summer. We hope that once and for all the delineation of powers between the federal and the provincial governments respecting the marketing of agricultural products will be determined.

I think it is only fair to mention that one or more provinces have done something in their own legislatures to protect farmers against a breach of floor prices. In my own province of Saskatchewan I should like to see the legislature, now in session, bring in legislation to preserve and, at least, aid in protecting the farmers, the hog producers, who find themselves today in a position of having to sell on a market in which the floor is being broken.

The squeeze which the farmer suffers results from the disparity in the relationship between the prices of farm products and the prices the farmer has to pay. When they are in proper relationship parity is established, and it is parity that the farm organizations across this country are asking for today. Not charity but parity. When one looks at the general price relationship one begins to realize how far in recent years that desirable end has been departed from. As far as parity is concerned, it must be related to a basic period which is regarded as one in which prices and costs are in approximate equivalence one to the other.

I know of no better definition of parity than that which appeared in yesterday's New York *Times*. I have made the necessary changes in the definition to meet the situation in this country. It is as follows:

> Parity prices are the dollars and cents prices that give to farm products the same buying or purchasing power they had in a selected base period when prices received by and prices paid by farmers were regarded as in good balance. . . . It has been put this way: If you can sell a truckload of barley and buy with the money received so much food, clothing, building materials, fertilizer, farm machinery and other living and production items as you could in a chosen favourable period in the past then your barley is selling at a parity price.

It goes on to point out the difference between rigid price supports which have not proved successful and flexible price supports which have proved successful in the experience of the United States.

The farm problem today is one that affects the people of Canada as a whole. I think the

best description of it is to be found in an editorial in the Ottawa *Journal* recently which had this to say:

> It is everybody's problem in Canada.

Not only farm organizations have spoken of the need of action. Such organizations as the Canadian Congress of Labour and the chamber of commerce in Winnipeg have all pointed out the dangerous position in which Canadian agriculture finds itself today, affecting as it does the people as a whole. I think one of the finest briefs I have read has been that of the Canadian Federation of Agriculture presented to the Gordon commission. It sets out in detail the situation of agriculture and endeavours to project itself 25 years ahead and anticipate the situation of agriculture at that time. It points out that there are 611,000 farmers in Canada today, that the average investment of a farmer is $15,500 and that between 1926 and 1954, if you allow the farmer interest of 3½ per cent on the amount of his investment, the average return of a farmer has been only 30 per cent more than the amount of the hired man's wages. Taking 1948 as a base of 100, we find this: Farm prices in 1955 were 97·8; retail prices 117·2; costs of distribution, 148. That covers nine Canadian farm products. What also took place was this. A larger share of the consumer's dollar goes to the other elements of distribution than goes to the farmer. When the period began in 1948 the share of the farmer was 59·3 cents on every dollar. Today that share has fallen to 53 cents. That is the reason the Canadian farmer is disturbed. He is faced by the advancing shadow of diminishing returns that more and more obliterates his share of the national income. His share of the national income has gone down in the last six years to an alarming extent. If you take the parity price as a basis in 1951 and compare it with the parity price today, this is what you will find. In 1951 farm prices were 10 per cent over parity or 110; that is the ratio figure. In September, 1955, that relationship had fallen to 81. During the same period of time the costs of the things which the farmer has to buy had increased by approximately 2 per cent. That statement is not a partisan statement. It is a statement by the Canadian Federation of Agriculture based on an examination of statistics and given to the dominion-provincial agricultural conference in Ottawa in December, 1955. On the other hand, since 1951 Canadian consumer expenditure has increased substantially, while the farmer's receipts for the same food have shown a marked decline. That is shown in rather full degree and I am not going to quote at any length from the annual presentation to the cabinet by the Canadian Federation of Agriculture on February 14, 1956. When my friend the Minister of Agriculture (Mr. Gardiner) produces what I choose to call statistical prosperity by the figures which he advances, I point out that the summary of the views of this agricultural body is to the following effect:

> . . . the notable exception in this picture of record prosperity is that of the farmer and his family. We do not claim that Canadian agriculture is in a depression such as we have known in the past. We do say that the farming industry is not sharing in Canada's new high level of prosperity . . . From the point of view of prices, farm products now show a price decline, taken as a whole, to about 20 per cent below a fair relationship level—whether this is calculated on the base period of 1925-29 used by the Canadian Federation of Agriculture or the more recent period of 1943-45.
>
> Farmers from coast to coast feel keenly that on the average their returns have become badly out of balance with those of other major groups in the nation. It is important to emphasize purchasing power in this connection because the farmer's difficulties are to be found as much in high prices of the things he buys as in a decline in the number of dollars he receives.
>
> The decline in the farmers' position has not come about as a result of poor crops and lagging farm productivity.

That too is the view expressed by the interprovincial farm union in the brief which they presented to the government on the 16th of the month. I am not going to quote these figures—they are fully set out in the brief—except to say this. Since 1951 the ratio of operating expenses to gross income in agriculture in Canada has gone up 23·38 per cent in 1951, 30·77 per cent in 1952, 41·6 per cent in 1953 and 52·2 per cent in 1954; and apparently the trend continued in 1955, although final statistics are not available. At the same time the decline in net farm income has proceeded downward 10 per cent, 21 per cent and finally 48 per cent in 1954. These figures indicate that year by year the ratio of the operating expenses on the farm is going up and a decline in net income is taking place. The situation is the same in agriculture as it is in any other business. You cannot go on paying more for the things you buy while getting less for the things you have to sell.

The same thing has happened with regard to cattle and hog prices. The details given here indicate a pronounced reduction throughout the period from 1951 to 1954 and the first half of 1955. Cattle, 1951, on the weighted average price per hundredweight at public stockyards were $28.22; in 1952, $20; in 1953, $15.36 and in 1954, $14.45. During the same time the price of grade A hogs went down from $33.30 a hundredweight until in 1955, in the second half of the year, it stood at $23.17.

That trend downward has not been slowed up in recent weeks. That is one of the major complaints among hog producers, namely the fact that the floor as it exists today does not protect.

The *Financial Post* recently, in a 20-page supplement in the November 12 issue, published a summary of Canadian agricultural trends. In it there was an article by David L. McFarlane, Professor of Economics at Macdonald College. I am going to quote just a couple of paragraphs of his remarks. He says:

> Cash farm income, $2,812 millions in 1951 slipped to $2,377 millions in 1954 as prices declined. But farm costs have remained essentially at 1951 levels. Thus net farm income has declined much more rapidly than the gross figure. Net income, $2,189 millions in 1951, fell to nearly half this level, $1,126 million, by 1954.

He does not give the 1955 figures but the increase was of such a nature as to result in no greatly increased medium of prosperity. Then he goes on to say this:

> It is hard for city people—unless in the position of workers in farm machinery plants—to realize that agriculture is having serious economic troubles. Alongside of an industrial boom with payrolls and profits setting records, we find agriculture in the worst position since the early war years.
>
> The real meaning of the news columns which recite the difficulties of grain producers, dairy farmers, potato and fruit growers is something approaching comparative farm depression.

He goes farther in that regard than do the other quotations to which I have made reference. I would quote further in that regard in support of my contention, Mr. Speaker, but since my time is limited I cannot refer in detail to the supporting evidence which in every case bears out the contention of the opposition that the agricultural situation has worsened, and that since 1951 there has been a shrinking of Canadian farm income by approximately 50 per cent. When we went out of power in 1935 we assumed the responsibility of a campaign, repeated over and over again, that when we were in power things were bad but without regard to any world conditions that existed then and without regard to the drought that destroyed production and at the same time destroyed income. Ever since then my hon. friends to the right of you, sir, have posed as the exclusive possessors of the magic solution of all farm problems. They have been carried along by the prosperity that resulted from the war and, following the war, was continued in the postwar period in the cold war that was waged.

It is true, as the Minister of Trade and Commerce (Mr. Howe) was able to say to the hon. member for Assiniboia (Mr. Argue) in regard to the contract with Hungary, that the wheat board is getting rid of a large amount of wheat.

Mr. McIvor: Hear, hear.

Mr. Diefenbaker: I am glad my hon. friend interrupted because I think he will agree that Providence, not the government of Canada, brought about the disasters of flood and frost. The parity situation has been very thoroughly canvassed during recent years. We, in the Progressive Conservative party, tried to get some action on this matter on several occasions, but without success. One of the earliest occasions was in 1941, during the war. The last occasion when we moved an amendment regarding this question of parity prices was on March 23, 1953. At that time we pointed out a situation which was rapidly accelerating, namely the expansion of the spread. Our attitude was ridiculed. After moving the amendment on that occasion at page 3208, I used these words, which in the light of subsequent events were not far removed from the facts. I said this:

> —I believe the demand on the part of Canadian farmers in general that action be taken now, before Canada finds itself in the position of having surplus production. We realize the needs of the NATO countries for all-out production in order to meet the eventuality that peace should cease to exist; and in order to maintain farmers on the farms something must be done to remove the squeeze that is taking place because of falling prices which have resulted, as I said at the beginning of my remarks, in a reduction in income of 12 per cent in 1952 over 1951, while the production of agricultural products was materially increased during the same period and farm costs have risen by 5 per cent.

At that time I moved this amendment:

> That all the words after "that" to the end of the question be struck out and the following substituted therefor:
>
> "in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to provide floor prices for agricultural products at such levels as to ensure producers a fair price-cost relationship."

At that time we pointed out what was happening. What we pointed out then has been found, in the light of subsequent experience, to be correct. As far back as the national convention in October, 1948, we had enunciated our policy in this regard. I read that declaration in the light of subsequent events.

> 1. The Progressive Conservative party stands pledged to assure the maximum of stability of income to Canadian farmers. To this end we will enact permanent floor price legislation based on the following principles
>
> (a) A definite formula in the Farm Prices Support Act for arriving at floor prices.
>
> (b) The formula will allow for variations in production and demand for individual products.
>
> (c) Floor prices will be announced well in advance of the production period.

(d) The floor price formula will be arrived at in consultation with representative producers.

We will establish a board of live stock commissioners similar to the board of grain commissioners.

We will give every legitimate encouragement to co-operative agencies whether relating to purchase, sale or credit.

We will extend the activities of the federal farm loan board so that farmers may take greater advantage of long term low interest rates in the purchase and development of their farms.

We will extend the facilities for agricultural research—

All these things, in the light of subsequent events, have been found to be actually needed to meet problems which have faced Canada since.

Now then, my time being limited, I cannot refer—

Mr. Speaker: In fairness to the hon. member, perhaps I should tell him that the only reason for saying that, in moving an amendment to a motion to go into supply his time may be limited, is that it has happened the government has not considered the amendment to the motion to go into supply as one of want of confidence. I think the hon. member, if he were to make known the terms of his motion, could very well have this type of motion considered, as it almost always has been, one of want of confidence and then he would not need to worry about being limited as to time.

Mr. Diefenbaker: I intend to move, sir, seconded by the hon. member for Brant-Haldimand (Mr. Charlton):

That all the words after "That" be struck out and the following be substituted therefor:

"in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to create a parity of prices for agricultural products at levels to ensure producers a fair price-cost relationship."

Now, that is the amendment I intend to move, sir. On the basis of previous experience I would not expect that it would be regarded as other than an amendment that the government would not accept.

Today, in the world in which we live, we face one of the most all-embracing economic massive retaliation attacks by the U.S.S.R. that has ever been launched by any nation in all history. The U.S.S.R. failed in its cold war offensive. Now, it has launched an overall world economic offensive. It goes into a country that it has chosen as its victim and, with the promise of appeasing hunger at the moment, asks the people in reality to translate their hunger and their thirst into a reasonably higher standard of living than they have had in the past, and in return the people in those areas forfeit forever their freedom and their liberty.

In times like these I am one of those who believe that surpluses are not dangerous in themselves. I believe we have a responsibility to maintain a productive agricultural machine, and to assure to the farmer a fair and reasonable share of the national income, which he is not receiving today—and statistics prove it. The general attitude of farmers proves the truth of that statement. What we need is a national policy on agriculture.

There was a farm conference last fall, which representatives of the various provinces attended. That farm conference secured from the minister no general vista of the future of agriculture. No lead was given to producers in Canada, and no picture of the anticipated situation in agriculture. A simple declaration was made with respect to one or two matters. A floor was to be maintained. Except for that, there was not that leadership which the farmers of Canada, indeed the whole economy, have a right to expect. The Saskatoon *Star-Phoenix* said:

And it demonstrated that the federal government has no very clear idea (none that it will make public, at least) about what, if anything, it can do about the Canadian agricultural industry as a whole. Without worrying about the order of their importance, each of these points deserves consideration in some detail.

It asks for a lead. It says no lead was given at that conference, and goes on to say:

What the federal cabinet really will do remains anyone's guess.

Then, it goes on to deal with the difference in opinion as expressed regarding subsidies by the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe). I suggest, therefore, that there is need for a declaration of policy on national agriculture. The last federal-provincial agricultural conference was disappointing. It achieved nothing except to bring a group together and advise them that something had been done, or would be continued, and then let them go home. It bore quite a similarity to the dominion-provincial conference of Friday last, when the provincial premiers came here and were told that nothing could be done for them except what they had already been told, and now they could go home. That is not the kind of leadership that Canadians deserve today. It is not the kind of leadership that will bring about that national unity that all of us hope for. A national conference on agriculture should be called. Representatives of the federal and provincial governments and of the farm organizations should work out a general policy for domestic and international trade. However, that conference should be delayed until such time as the supreme court

has finally determined the distribution of powers as between the federal and provincial governments.

Tomorrow we are to be visited by the peerless leader of the forces of democracy in NATO. Last summer some of us had the privilege of visiting NATO headquarters. General Gruenther, the spearhead of survival, has over and over again emphasized the need of unity among NATO nations. The president of Italy spoke to parliament a few days ago. What he emphasized above everything else was the absolute need of something being done to strengthen and maintain the NATO organization. Human nature being what it is, if threats of war and fears are removed, if cold war becomes warm smiles, the mortar that holds the NATO nations together is bound to become softened. We need to maintain the strength of NATO, to assure the preservation of the surpluses that are being built up as part of our joint defence. It is for that reason that we in the opposition believe that consideration should be given to the establishment of a food bank in NATO countries. The international food bank under FAO has not proven possible because of the difficulties inherent in such a plan when nations both within and without NATO are members of that organization.

The soviet policy will challenge the free world. If the free world is to maintain its strength and be in a position to bargain from strength in the field of economics, the agricultural machine in our country must be maintained, and the Russians must not be permitted to have the initiative in the economic war.

We believe that one of the reasons for our situation is the fact that we have lost our markets. The British market for agricultural products is gone, to all intents and purposes. The total value of bacon shipped to Britain last year was about $3,600, compared with the tremendous shipments made during the days of the war and subsequently. Surely something can be done about that market. Denmark is getting out now. In September the Danish-British agreement will be terminated. Is this not the time to bring about once more aggressive action in this regard to secure those markets, or at least a portion of them? Is this not the time for the government to reconsider the convening of a British commonwealth trade conference to the end that we shall be able to disperse our farm products rather than concentrate them in the United States, which is close at hand and convenient? Our experience in the past shows us that that is dangerous to the preservation of our agricultural machine, because invariably when we have surpluses the United States has surpluses, and the United States government has greater regard for the farmers of the middle west than it has for the continuance of the right of Canada to export agricultural products to that country.

What about Japan? Japan is a country that has always discharged its financial obligations. That country is a mighty market for agricultural products. It was suggested by a former member of this house, Milton Campbell, who now lives in Hamilton, that the market in Japan has a potential value greater than any other market anywhere in the world. Would it be too much to suggest that consideration be given to the advancement of assistance by way of loans so that Japan would be in a position to trade with us and accept a considerably larger portion of the agricultural production of this country than is the case today?

Fourthly, I mentioned the economic offensive of the U.S.S.R. under which emphasis is being laid on seeking, through the stomachs of men in underdeveloped countries in Asia and Africa, to subvert their hearts. For several years we in the opposition have been contending that there is a dividend in advancing assistance to underdeveloped countries by way of agricultural products and the like by the extension of plans such as the Colombo plan. There were some who said we were idealists when we took that view, but what of the United States now? What of Britain and what of France? All three have declared that more and more we must alter our objectives in facing the new economic conflict from the U.S.S.R. and direct our attention to the contribution we make to assist those countries which have not the economic possibilities we have.

In addressing this house Sir Anthony Eden put it this way. He said that the free nations must, and I quote:

> . . . raise the standards of living and provide economic help and confidence for peoples in underprivileged countries.

I believe that as part of our defence efforts there should be a diversion of some of our surpluses for the purpose of raising standards in underprivileged countries.

I come now to the question of the agricultural products act. The present legislation needs to be revamped. It needs to have teeth put into it. I mentioned the economic section in connection with hogs and the way in which the legislation is being evaded to the detriment of the farmer. The administration of this act has become loose and dilapidated. There is no means of enforcing whatever provisions may be passed by the board operating under that act. Should we not at this session amend the act to the end that it will become effective?

Economic Position of Agriculture

Next I mentioned in general the widespread disparity between the price the farmer receives and the price paid by the consumer. That disparity, that spread, deserves to be investigated. Many hon. members in this house want work to do. They would like to perform a worth-while work but have been denied the opportunity of making the contribution which their ability and training would permit. I would like to see the agricultural committee, when it is set up, undertake to make a preliminary investigation into those spreads. Then if after hearing evidence the agricultural committee finds it is circumscribed to such an extent as to be unable to come to a definite finding on the question which exercises the thinking of farmers all across the country today, I should like to see a royal commission appointed in order to investigate this spread and ensure a greater degree of equity to agriculture in assuring that the farmer would receive the largest possible percentage of the price ultimately paid by the consumer.

Finally, sir, I come to the need of making Canadian agriculture strong, effective and efficient. I have already mentioned that if the present price-cost relationship continues and the spread maintains its present rate of interest, the day is not far distant when the Canadian farmer will find himself in a situation dangerous to the future of agriculture in this country. That is not a partisan view. That is the view of the federation of agriculture, the farm union organization, and agricultural economists.

I have already mentioned that three years ago I had the honour of moving in this house an amendment based on what I then pointed out was a trend that was multiplying in its amplitude and would ultimately be most detrimental to agriculture. Amendments to that end had been moved previously. They were based on a declaration made by the hon. leader of this party in June of 1953 and also on the national policy of 1948.

In 1953 the hon. Leader of the Opposition said in effect, "We will appoint a national agricultural board for the purpose of establishing fair floor prices related to farm production costs."

At that time he and those associated with him endeavoured to place before the Canadian people the situation as they saw it. People did not accept the viewpoint that we then expressed. But looking back on the retrospect of events that have taken place since that time, we are able to say that if the stand we then took had been accepted in 1953, in the motion moved in March of that year, the Canadian farmer today would not find himself in his present position. In the light of experience our views have proven to have been all too prophetically true.

The trend referred to in the amendment moved in 1953 has continued. Canadian agriculture today would not be in its present precarious position if action had been taken at that time on the basis of the experience of our neighbour to the south and also on the basis of the demands of farmers generally.

Therefore, sir, having already given notice of my intention to do so, I move, seconded by the hon. member for Brant-Haldimand (Mr. Charlton):

That all the words after "That" be struck out and the following be substituted therefor:

"in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to create a parity of prices for agricultural products at levels to ensure producers a fair price-cost relationship".

Mr. H. R. Argue (Assiniboia): Mr. Speaker, we in this group welcome the motion which has been placed before the house this afternoon. We are particularly pleased that the motion is drafted in such terms as to permit us to declare our support of the principle of parity prices. The support of the principle of parity prices is something which the members of this group and our party at large have supported from its very inception. It is part of our philosophy that governments should take whatever action is necessary in order to provide a measure of equality of treatment to all major sections of our economy. We do not agree and never have agreed with those who say that the role of government should be to keep out of the economy, to sit back as a referee and do nothing about falling incomes of various groups. We believe in government action and we certainly believe that government action is now needed.

I want to point out to hon. members of this house that the concept of parity prices is that the government shall so regulate the prices of farm products as to give to agriculture an income which bears a very direct relationship to the income of other groups in our economy. In the past the members of the Conservative party have always said that they have believed in a hands-off policy as far as the government is concerned, that they did not believe in regulation, that they believed in free enterprise, the freedom of prices to go up and down in the market. I am glad to see this apparent complete transformation that has now occurred and an indication that it is their opinion and philosophy that the role of government should be to set agricultural prices in a very direct relationship to the cost of production and to place that on a formula basis.

During this session there has been growing evidence that the Conservative party is learning, that their education is being improved. As the weeks go on they are coming more and more to agree with the stand which has been taken on various issues by the members of this group. We are very pleased at that and we welcome them because we believe that if the principle of parity prices is supported solidly by the three opposition parties it will definitely result in legislation, even from this government, which will bring about an improvement in the agricultural industry.

Mr. Howe (Port Arthur): One more "C" in C.C.F.

Mr. Argue: Pardon?

Mr. Howe (Port Arthur): Add one more "C" to C.C.F.

Mr. Argue: It is becoming all too clear that if the Conservative party is learning and is improving on its education, the Liberal party is doing the very opposite, that anything it has done in the past about legislation to improve the position of agriculture has been forgotten, that it has dropped the Liberal program. I think before I have finished speaking this afternoon I will be able to point out that the government's policy is spelling abject depression for agriculture from one end of this country to the other.

I hear a member of the Conservative party say that it has always been their policy. It is a wonderful thing to hear that, but I am afraid that their performance in the early 1930's demonstrated the very opposite. The record of the Liberals is not good. The Minister of Agriculture (Mr. Gardiner) came into his present position in 1935 and during the next five years they established an index for the prices of agricultural products which was published in the *Economic Annalist*. They took the base period 1935-39 as 100, a period when farmers and agriculture were in a general economic depression. Then on the basis of an index of 100, which could hardly be a reasonable parity index price, we find that the indices in the earlier period under the Conservatives from 1931 to 1934 were as follows for field crops:

	Field Products	Animal Products
1931	65.0	92.7
1932	60.4	70.5
1933	69.3	69.2
1934	80.5	86.5

It is certainly true that in the 1930's under both Conservative and Liberal governments we had parity prices in reverse. The prices of agricultural products, instead of bearing a fair relationship to the cost of production, bore a most unfair relationship. Last year we moved a motion asking the government to give consideration to the advisability of establishing a system of party prices for agricultural products. This motion was moved by the hon. member for Humboldt-Melfort (Mr. Bryson) on May 13, and I am glad to say that that motion received the unanimous support of members of the opposition parties.

Mr. Diefenbaker: It has always been supported.

Mr. Argue: I go back to 1954, one year—

Mr. Hodgson: Go back to before you were born.

Mr. Argue: I would not want to get into the same position as my hon. friend.

An hon. Member: Just go back.

Mr. Knowles: They do not want to hear about 1954.

Mr. Argue: I know this is something the Conservative party would like to forget, I know it is something about which they have not been too proud. On May 17, 1954, the hon. member for Mackenzie (Mr. Nicholson) moved this amendment:

> That all the words after the word "That" to the end of the question be struck out and that the following words be substituted therefor:
> "in the opinion of this house, the government should give consideration to demonstrating its support of the principle of orderly marketing through livestock marketing boards by announcing floor prices with respect to cattle and hogs at levels not less than the average of the prices which prevailed during the period from January 1, 1951 to December 31, 1953".

It will be noted that not only did we present a motion which embodied the principle of parity prices; we spelled out the formula. Had that formula been adopted by the government it would have resulted in cattle prices being not less than $21 per hundredweight, and probably more than that with the increased cost of production. A debate followed that amendment during which some most interesting remarks were made by the hon. member for Calgary North (Mr. Harkness), a member of the Conservative party. The hon. member damned the motion in no uncertain terms when he said:

> In my opinion this particular proposal comes very close to being complete nonsense, and I think bears no relationship to any realistic conception of what the livestock industry is, what conditions are or anything of that sort.

And then later:

> For those reasons, perhaps, the formula is not a reasonable or realistic yardstick to use. The whole purpose of this resolution, if carried into effect, would be to socialize the livestock industry.

When we proposed a formula for livestock prices and demonstrated our support of livestock boards in May, 1954, the hon. member

for Calgary North said that the motion was designed to socialize the agricultural industry. I am pleased that the members of the Conservative party are coming along and are now not only presenting a motion today but advancing the concept of full parity. As I am sure you would anticipate, Mr. Speaker, after the hon. member for Calgary North damned the resolution asking for a formula support price for cattle and hogs the Conservative party voted against a parity floor price for cattle and hogs. It was the policy of the Conservative party at that time, but I am glad that they have changed their policy now and are prepared to support a general system of parity prices.

There is a lot of opposition in the country to the concept of parity prices, and in the main the opposition is led by people who have parity prices for themselves. It is led by the big newspaper companies, it is led by Canada Packers, by Massey-Harris, by the big industrialists, by the great friends of the Conservative party and the great friends of the Liberal party. These people say it is wrong and foolish that the prices of agricultural products should be tied to the farmers' cost of production, but when they have anything to sell they, of course, not only tie their price to the cost of production but after having done that they add a very substantial sum to that formula and obtain for themselves very handsome profits.

When we advance the concept of parity prices all we are seeking to do is to give the farmer and agriculture something that is already enjoyed by every other major industry in the country, namely, that the products they have to sell will be related to the cost of producing those products. Certainly under the policy being followed at the present time there is no relationship between farm prices and the cost of production.

Even some consumers seem to feel that they have a stake in low prices for farm products, that if they can get prices to the farmer for agricultural products down the cost of food will come down, but that is very often not correct. It is quite possible, in fact, it often happens that when the farmer from time to time receives less and less for his product the consumer pays more and more for the same product. Therefore it is not amazing at all to find that from 1948 to 1953 the farmer's share of the consumer dollar was reduced from 59·3 to 53 and that from 1951 to 1955, when the index for farm product prices was dropping from approximately 116 to 98, a drop of 18 points, the drop in retail prices of food was only 3 points. The drop in the case of the producer was six times as great as the very small drop in retail food prices.

I say it is possible to have adequate farm prices and reasonable costs to the consumer. I believe that under the policies that have been followed we have not only allowed farm prices to fall to drastic levels but we have also created in the mind of the consumer the idea that if any savings are to be made they are to be made in shopping for food and that the thing to do is to get food prices as low as possible. How many consumers, how many men and women of this country are looking for bargains in food when they go out to buy. They expect to get cheap food. The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) would like to see the floor price on butter reduced. He is one who would like to see lower food prices, bargain food prices, but the very same consumers who when they go shopping hope to get bedrock food prices think it is quite all right, quite in order, quite proper, to pay a very high price for a television set, a refrigerator or a new automobile. They do not go around shopping for bargains. They say that they want a good product, a quality product and they expect to pay a good price for a quality product.

I think it is wrong, I think it is ridiculous, for the government to allow food prices to fluctuate to such very low levels from the point of view of return to the farmer as they have been doing in recent times. All food commodities are going down. Under the policy being followed by the government the purchasing power of wheat is lower now than it has been in any ten-year period since 1891. The purchasing power of a bushel of wheat in 1953-54 was 70 cents. In the great depression from 1931 to 1940 the purchasing power of a bushel of wheat was 80 cents. The grain producer is losing out in the price-cost squeeze.

The results of these falling prices are very evident in the returns for farm cash income and farm net income. From 1951 to 1955—1955 is an estimated figure—farm cash income fell from $2,811 million to $2,323 million. In the three year period from 1951 to 1954 farm net income fell from $2,154 million to $1,125 million, or a drop of 48 per cent in net income in a three year period. That is the result of the policy of the Liberal government. That is the result of the policy of the Minister of Agriculture (Mr. Gardiner), a policy that over a three year period allows farm net income to fall by 48 per cent.

Mr. Martin: Oh, oh.

Mr. Argue: The Minister of National Health and Welfare cannot argue against statistics produced by a branch of the department of the Minister of Trade and Commerce. The government keeps saying time after time

that the country is prosperous, that the gross national product is going up, that everybody is becoming better and better off under the policies of a benevolent Liberal government, so they say. They are prepared to point out that the gross national product has risen from $21·4 billion in 1951 to $26·4 billion in 1955, an increase of $5 billion in the gross national product in a four year period.

Most segments of the economy are becoming more prosperous. The standard of living in most sections of the economy is going up, but, to the everlasting disgrace of the government, at a time of increased welfare for most sections of the economy the agricultural industry is falling into a depression at a very alarming rate. Does the government do anything about it? Nothing! Absolutely nothing! Not a single policy is being advanced by the government or even being discussed by the government that is aimed at stopping a further deterioration in the prices of agricultural products.

Has the farmer any reason to expect better treatment? I think he has. Although it has been quoted many times in the house, I think it is well that I should quote again the statement made by the late prime minister, the Right Hon. W. L. Mackenzie King, in a national radio broadcast on December 4, 1943, when he said:

> If, to help the war effort, farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to assure them against an agricultural depression after the war.

That was a very definite commitment by the late prime minister, another one of the commitments of the Liberal government that has never been kept. It has been made and forgotten. I should not say that the government did not make the gesture of keeping it, that they did not do a lot of window dressing. As a matter of fact, the window dressing it was prepared to do in this regard was to write a provision into a statute not as a governing part of the statute but merely as a kind of slogan. I refer to the Agricultural Prices Support Act passed in 1946. In dealing with the procedure to be followed by the appointed board the act has this to say:

> . . . the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions—

And listen to this:

> —and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

I suggest to the government that if it means what it says in the Agricultural Prices Support Act, it should be proposing legislation that will give to agricultural producers for their products prices that bear a fair relationship to their costs and will give to the farmer returns that bear a fair relationship to the returns given in other occupations.

Once again we find a promise by the government that has never been kept. As far as the agricultural industry is concerned, the government has adopted a policy that is slowly wrecking agriculture in every province in this country, and the situation is not confined to the wheat provinces. Sometimes people say that we in this group talk too much about wheat. But let us relate this motion to every product other than wheat and let us relate it to every province, if you like other than the three prairie provinces. I make the statement that agriculture in every province of Canada is in an extremely difficult position, that the farmers are facing continuously lowering prices for agricultural products in face of a rising cost of production, and that the farmer in Canada today is going broke under the policies of the Liberal government.

We thought that something might be done. We expected something to come from the federal-provincial conference. We expected something would come of that conference because we understood there was on the agenda an item which was to deal with the calling of a federal-provincial farm marketing conference on a general basis. Many of the provincial governments and certainly the farm organizations were calling for a general federal-provincial conference on marketing policies. Agricultural organizations were asking for representation.

What happened? Nothing came of it. They were turned down. When the conference was held on Friday, as far as the farmer is concerned the Prime Minister said no, and as far as everybody else was concerned at that conference he said no. It was probably the most expensive conference that has ever been held in Canada, for the purpose of listening to one two-letter word, namely "no" from the Prime Minister. The premiers and their advisers were called from all across this nation and the Prime Minister and the Minister of Finance in an arrogant manner say to the provinces, "we will have nothing to do with discussing any further improvement in policies—

Mr. Martin: Were you at the conference?

Mr. Knowles: Were you?

Mr. Martin: Yes.

Mr. Argue: From the Prime Minister this afternoon we had confirmation of precisely what I am now saying, namely that the government said no.

Mr. Martin: I rise on a point of order.

Mr. Argue: It will not be a point of order, I am sure.

Mr. Martin: Mr. Speaker, my hon. friend said that the Prime Minister and the Minister of Finance arrogantly said no. Once again my hon. friend is wrong. The Prime Minister was not arrogant. Nowhere in the reply will he find a definite no. It is simply another example of my hon. friend's continuous state of inaccuracy.

Mr. Argue: If I am in a continuous state of inaccuracy as suggested, nobody knows it other than the Minister of National Health and Welfare (Mr. Martin), apparently. The Prime Minister does not know. The newspapers do not know.

Mr. Sinclair: You do not know.

Mr. Argue: Some of the premiers and some of the others coming out of that conference do not know it because their impression was that they had come all across this country to hear said to them, "No. If you want something more, the answer is no. If you want a federal-provincial agricultural conference, the answer is no".

Mr. Deputy Speaker: Order. Perhaps I should add a "no".

Mr. Knowles: Were you there too?

Mr. Deputy Speaker: We are discussing an amendment moved by the hon. member for Prince Albert (Mr. Diefenbaker) and it is not in order to discuss, under that particular amendment, the provincial-federal conference of a few days ago.

Mr. Argue: Mr. Speaker, the point I was trying to make was this. At that conference there was discussed the question of whether or not a federal-provincial conference should be held to discuss agricultural marketing policies. I suggest—

Mr. Deputy Speaker: Order. In order that there may be no confusion as to the course which this debate should take, may I draw the hon. member's attention to the fact that we are discussing an amendment to the motion to go into supply. In Bourinot's Parliamentary Procedure, fourth edition, at page 421 he will find the following extract:

> When an amendment has been moved to the question for the Speaker to leave the chair, discussion should be properly confined to its subject-matter.

The hon. member just mentioned agricultural marketing policies. May I point out to the hon. member that in this session we have already dealt with a subamendment which was in these words:

> Their failure to adopt and implement agricultural and marketing policies designed effectively to keep farm cash income in Canada at a just and economic level.

Mr. Argue: What was the date of that amendment, Mr. Speaker?

Mr. Deputy Speaker: The amendment was moved by the hon. member for New Westminster (Mr. Hahn) and seconded by the hon. member for Jasper-Edson (Mr. Yuill) on January 20 of this year and was negatived on January 24. The amendment which we are at present discussing is in the following terms:

> in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to create a parity of prices for agricultural products at levels to ensure producers a fair price-cost relationship.

The hon. member will realize that he started off in his remarks to discuss that particular problem but latterly, in my opinion, he has been dealing with other matters. In view of the amendment of the hon. member for New Westminster, which I have just read, in view of the fact that we have had ample opportunities to discuss the general farm problems already in this session, and in view of the fact that the first item of the estimates of the Department of Agriculture has not been passed and that this item affords a further opportunity to discuss the general situation, I feel that hon. members would wish me to attempt to see to it that discussion on this particular amendment is strictly relevant to the amendment itself. I would ask for the co-operation of the hon. member.

Mr. Argue: Mr. Speaker, I had momentarily overlooked the amendment that had already been voted on earlier in this session. I shall therefore be pleased to leave any discussion of that particular question at this time.

The motion we have before the house calls on the government to adopt a system of parity prices for agricultural products, the basis of the policy of the government ever since December, 1943, when it was enunciated by the late prime minister. We say that today there should be no reason that the opposition would have to move this kind of an amendment. That has been the stated policy of the government. But it has forgotten about its own policy. It has turned its back on its own commitments. As far as the farmer is concerned, the government's policies have been a flop. The government has failed the farmer. It has failed the farmer in other ways in addition to failure to provide him

with a system of prices that will allow him to stay in business and make a profit. As a matter of fact, other agricultural legislation on the statute books has been allowed to deteriorate. The value of it has been allowed to wither away.

In 1939 we had the Prairie Farm Assistance Act. The maximum payment at that time was $500, but the value of the payment has largely been cut in half because of the increased cost of production and the decreased purchasing power of the dollar. Prairie farm assistance which has been of great benefit to the farmers in time of crop failure is now only a partial benefit. It is only a shadow of what it once was. The Liberal government cannot say too often in this house and in other places that it believes in free enterprise, that it believes in private enterprise. The Liberal government does not believe in private enterprise at all. It believes in corporation enterprise, big business enterprise. In my opinion there are only two main groups in this country that are today engaged in private enterprise where the individual has an enterprise and where he is in competition with other individuals in the same enterprise. I refer, of course, to the over 600,000 farmers in this nation. One could name the farmers and the local storekeepers. They are the private enterprisers.

They are in a bad way under policies followed by this government which allow and encourage corporations to grow and gobble up the local merchants, and which allow only the huge farmer to make any kind of reasonable return, thus driving the farmers off the land. These policies are wrecking the farmers and making them go broke. These policies are making bankruptcy the way out for many local merchants in this country. So far as the local storekeeper is concerned, about all the government has ever done for them is to print in the *Canada Gazette* the fact that he has gone bankrupt; that is about all the attention the local merchant ever obtains from this government. This government does not believe in private enterprise at all. It believes in a policy which wrecks the only two large groups in our country today that are bona fide free enterprisers, namely the local merchant and the farmer. The policy of the government is to get rid of both occupational groups, in an economic sense, just as fast as it can.

The government's policy is not good at home and it is not good internationally. We have surpluses of agricultural products at home, and instead of worrying or complaining about these surpluses we should be glad we have food surpluses. We should be glad that in Canada today there are substantial reserves of food. We should be adopting a policy that will move that food to the people in Canada who need it and to the people in the world who need increased quantities. The other day the hon. member for Selkirk (Mr. Bryce) stated in this house that many people in his constituency were starving. He got the horse laugh from some people when he made that statement. I make the statement that it is a fact that in every single constituency in Canada, urban and rural, there are people who are starving. They may not be starving in the sense that they are hungry but they are starving in the sense that they are nutritionally starving. They can eat only certain kinds of food, not the protective foods. They cannot afford anything better. There are tens of thousands of old age pensioners, particularly in those provinces where there is no subsidy and particularly in areas where they have to pay large sums for room rent, who are nutritionally hungry. That being a fact, and with such huge surpluses of food as we have now available, butter, pork, milk, grain of all kinds, the government should undertake a plan to enable those people to purchase greater quantities of food.

I would suggest a food stamp plan. I would suggest a supplementary payment for the increased purchase of food for old age pensioners, blind pensioners and all of those persons who are receiving assistance in that way from the federal government.

Mr. Martin: Why don't they do that in Saskatchewan?

Mr. Argue: We are doing far more on a provincial basis in Saskatchewan for old age pensioners than is the Minister of National Health and Welfare (Mr. Martin). I should like to see him and his government match the supplementary payments that are being made in Saskatchewan. I should like to see him hurry up with his health program, about which he is so often so voluble.

Mr. Martin: May I ask my hon. friend a question?

Mr. Argue: Sure.

Mr. Martin: He has suggested he would like to see the federal government do as much for old age security as the government of Saskatchewan. Will my hon. friend not say that the federal government pays more to old age pensioners than the province of Saskatchewan? Will my hon. friend not say the province of British Columbia pays more for old age pensioners than does the province of Saskatchewan?

Mr. Deputy Speaker: Order. I think both hon. members will realize that this discussion is out of order.

Mr. Argue: In that regard I can say the record of the Saskatchewan government is far better in every respect than is the record of the government of which the minister is a part.

I have an amendment to move, seconded by the hon. member for Mackenzie (Mr. Nicholson). It reads:

That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:
"in such a manner as to provide for a fair share of the national income for agriculture."

Before I sit down, Mr. Speaker, I want to say that we in this group would like to see the government appropriate a substantial sum of money to enable food to be available to the hungry people of the world. I am glad we have been able to sell wheat to the iron curtain countries. I shudder to think what would happen to the free world if the communists at this time had a surplus of food and we had a deficit because the communists would know what to do with it. They would be out using it—

Mr. Deputy Speaker: Order. I must once more ask the hon. member to confine his remarks to the terms of the amendment which is before us.

Mr. Argue: Well, Mr. Speaker, with great respect I suggest if you are going to have a parity program for agriculture you have to have in that program a method for disposing of food surplus. I would suggest—

Mr. Hosking: Or controls on production.

Mr. Argue: That is all the Liberals can think about, controls on production; restriction. They never once think of feeding the people in this country who are hungry. They never once think of making our surplus food available to needy people in the world because they have forgotten their Liberal philosophy. They have forgotten to undertake policies which will move surplus foods to the underdeveloped countries. I can see the Minister of National Health and Welfare looking aghast. But I want to say to him that the record of this government in relation to the needs of the people of the world, in relation to our huge surplus of food products, leaves more to be desired than probably the record of any democratic country. We have huge surpluses. This government, on a per capita or on any other basis, does a whole lot less than does the government of the United States.

For that reason, Mr. Speaker, I am pleased, on behalf of this group, to move the amendment to which I have referred.

Mr. Victor Quelch (Acadia): Mr. Speaker, at the outset of my remarks I may say we intend to support the amendment and the subamendment, because a policy of support prices for agriculture is absolutely essential in order that the industry be put in a position where it can operate on a sound basis.

I quite realize that a great deal has been said in this house during the past few years on the question of support prices. Unfortunately, in spite of the fact that a great deal has been said, very little has been done by the federal government in that regard. Until such time as the government does show greater attention to the need for support prices for agriculture that will make it possible for the farmers of this country to receive their fair share of the national income, discussions such as we are having today will continue.

It seems very strange to me that while the government shows very little attention to this question, on the other hand it recognizes the results of the situation. Instead of trying to cure the situation the government merely tries to take care of the result. By that I mean already this session they have brought down four bills making it possible for people to borrow more and more money. They recognize the fact that their policies today are driving the people farther and farther into debt. So, what do we have? We have had four bills already this session to make it possible for the people to borrow more money and go farther into debt. We have had the small loans bill, the farm loans board bill, the industrial bank bill and the bill to make loans available to farmers against wheat in storage.

As I say, apparently they recognize that their policies today are driving the people farther and farther into debt, and instead of trying to change the situation so that people do not have to go farther into debt, they merely open the doors to permit them to go still farther into debt which, Mr. Speaker, is not a solution. It can only lead this country into difficulties in the future.

The policy of support prices is criticized on two main counts. First of all, we hear it said, it is a hand-out; the farmers want another hand-out. The newspapers in eastern Canada and the financial institutions are very good at making that charge. Hardly a week passes that you do not find that charge made in some eastern paper. Strangely enough, I have never seen those papers criticize one

subsidy, namely that on gold, a direct hand-out, year after year, a hand-out far greater than the supports given to agriculture under the Agricultural Prices Support Act, leaving out the question of foot-and-mouth disease. If they are so much opposed to the idea of subsidies, why do these institutions not criticize the subsidy on gold? It all depends on whom the subsidy is for when they criticize it.

One hates to travel over ground that has been travelled over many times before in this house; nevertheless, so long as the present situation exists we shall continue to have to repeat things that have been said in former years, especially by farm organizations that come down here year after year and ask the federal government to take action.

What is the justification for support prices? I maintain the farmers of this country are not asking for a hand-out; they are not asking for anything to be given to them. They believe they have paid a premium on certain insurance, and now they expect the insurance to be made available. Let us go back to the 1930's, the depression years, when the prices of farm products were at a very low level. Anyone in this house who was farming in those years will remember what was said when the farm organizations appealed to the government for support prices on farm products. They were told no, this was an international situation. Prices had fallen in the world markets and the government could not do anything about it. The farmers could not expect to get more than world market prices.

That was the situation in the 1930's, and the farmers continued to get low prices. Then the war came along. Within a very few years after the declaration of war, farm prices went up. It might have been possible then for the farmers to recoup their losses and pay off some of the debt that had been accumulated in those years when wheat had been selling at 19 cents a bushel and other things at a similar level. The farmers were hoping that for a few years, anyway, they would get prices that would make it possible for them to pay off their debts; but what happened? When prices went up in the world markets the government stepped into the picture and said, "World prices are too high. You cannot have world prices because we are going to put a ceiling on them." I maintain you cannot adopt the attitude that on the one hand when world prices are down the farmers have to take them, and on the other hand when world prices go up the farmers cannot have them. That has been the policy of this government in the past, and that is largely the reason the farmers have suffered in the past. If it is fair to make the farmer take low prices when world prices are low, then it is only fair to let him have the high prices when world prices are high, and I shall quote some figures to prove that this has not been the case.

Apparently the government of the day realized there was some justification for what I am saying, because the prime minister of the day, Mr. Mackenzie King, as has already been mentioned, did state that in view of the government's policy the government would take steps to stabilize farm prices after the war, and the Agricultural Prices Support Act was enacted, which contains words to the effect that farm prices will be maintained at a fair relationship. Perhaps I should quote from the section of the act which deals with that question. Paragraph 9, subsection 2, reads:

> In prescribing prices under paragraphs (a) and (c) of subsection (1), the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

Mark this:

> —a fair relationship between the returns from agriculture and those from other occupations.

Today the farmers represent around 16 per cent of the population, and they are getting 6·8 per cent of the national income, which shows that something has slipped very badly somewhere.

In my opinion the Agricultural Prices Support Act is a good act. The only trouble is that it is not wide enough; it does not provide support prices, apparently, for a sufficient number of agricultural products. For instance, it does not include grain. Quite a number of farm organizations have asked that grain be brought under the Agricultural Prices Support Act. As I say, it is a good act. I have no quarrel with the formula that was laid down, namely that the price of farm products today should be maintained at such a level that it will bear the same relationship to the price of other commodities as existed in the base years 1943, 1944 and 1945. That is the general basis for setting support prices.

When you take into consideration the fact that in 1943, 1944 and 1945 the prices of farm products were not high in relation to the prices of other commodities, I think the farmers are justified in expecting that under the Agricultural Prices Support Act farm prices today would be maintained at a parity with those three years. But what do we find? According to the agricultural prices

support board we find that the support price for butter is only 84·6 per cent of parity, of those base years; the support price of 23 cents on hogs is only 83 per cent of parity of that base, and the support price of 38 cents on eggs is only 56 per cent of parity of that base. That shows that the floor prices on the few products supported today are still quite a bit below the formula laid down by the government.

Wheat, of course, does not come under the Agricultural Prices Support Act. As I say, farm organizations have asked that grain should be brought under that act. It is interesting to note that if grain were brought under the Agricultural Prices Support Act, then the price of wheat, on the basis of the three years 1943, 1944 and 1945, according to the dominion bureau of statistics would be $2.27 a bushel.

Some people say, well, what would be the reaction of the public if the government maintained support prices at that level? For instance, what would be the attitude of labour? Well, I understand labour has already taken a stand supporting it. I refer to the brief of the interprovincial farm union council, presented to the government on February 16, 1956, and quote from page 13 in reference to this question:

> That the consumer would not resist any move that would reimburse farmers on an equitable basis has been proven by the fact that the two main organized labour groups, C.T.L.C. and C.C.L., are on record as being in support of the principle of a fair and equitable price to the primary producer of agricultural products.

No doubt labour realizes it has a very substantial market in the farm industry, and if they hope to be able to sell to the farmers in large volume then the farmers will have to be able to pay for the goods they buy from the secondary industries. In order to do so the farmers will have to receive a price that bears a fair relationship to the prices on other commodities.

The wheat producer is, of course, in worse shape than the majority of farm producers because the price of grain has dropped lower than the price of any other farm commodity. Here again the grain farmers are fully justified in insisting upon an adequate support price today, in view of the fact that they did take a price considerably below the world market price in the years 1945 to 1949.

I have in my hand figures showing the losses that were suffered under the British wheat agreement by comparison with the world market price for class 2 wheat in the years 1946 to 1950, during which period the farmers lost $431,676,844. Then as the result of subsidizing the Canadian consumer at the same price at which we sold wheat to Britain instead of at the world market price, the farmers lost another $136,920,921. If you add those two figures together you get an over-all total of $568,597,765. If you subtract from that figure $65 million which the government paid to the farmers on account of their losses, you have a net loss of approximately half a billion dollars.

Therefore I do not think any one can argue that the farmers in asking for a support price today are asking for a hand-out. They are merely asking compensation for something they have already paid. They have already paid the premium of half a billion dollars in regard to wheat and many hundreds of millions in regard to prices on other commodities.

I say this in view of the fact that they accepted prices considerably below the world market prices. There are several ways in which support prices may be paid or in which a parity price may be guaranteed. Personally I think the farmers are justified in asking for 100 per cent of parity with the period from 1943 to 1945 for all their produce whether it is sold in Canada or on the external market. On the other hand, however, we recognize that we have no control over the external market, though we do have control over the prices at which commodities are sold in this country.

We in this group have always advocated the adoption of the two-price system. It is interesting to note that the interprovincial farm union has also adopted this policy; that is, a parity price for the production of agricultural products consumed in Canada, and the best price that can be obtained on the world market, preferably through international agreement, for the farm produce sold abroad with a reasonable floor placed under the goods exported abroad.

After all, when you consider that approximately 94 per cent of all farm produce apart from wheat is consumed in Canada, there is no reason why we should allow the 6 per cent that is exported to set the price for the 94 per cent consumed in this country. Therefore we have advocated the two-price system, not because we do not think the farmers are justified in asking for a parity price on all their produce but because it is far easier to put a two-price system into operation. After we have had it in operation, then will be time enough to think about trying to obtain a parity price on the total production.

There are some people who will say that the adoption of a policy which will give the farmers of this country a price for their commodity that will return to them their fair share of the national income will expand the

amount of our surpluses. In that regard I think the time is long overdue for the government to announce a long-term policy. What is the government's policy regarding agricultural production? I think the government should announce to the farmers just what it wants them to do in regard to production. Does the government want the farmers to reduce their production or to maintain it at its present level? If the government wants them to maintain it at the present level, then no one can argue that a policy of price support is to blame for present levels of production, because if the government does not want production to be maintained at present levels it will have to adopt a policy whereby production can be restricted. But just so long as the government does not want production to be restricted there can be no criticism of the farmers' present level of production. When you consider the international situation wherein, according to the FAO, 50 per cent of the population is hungry, I think we can then agree that a policy of maintaining production at a high level is essential at this time.

We in this group have always stated in so far as external markets are concerned that we feel the government should make food available to all those nations who are unable to obtain it through normal channels of trade by such means as acceptance of foreign currency, by barter agreements or in some cases by way of gifts. In so far as the domestic market is concerned, we feel we still have quite a large potential market for increased agricultural production in this country.

The federation of agriculture in its brief suggested a number of means by which we could increase the consumption of dairy products. The federation suggested a free school lunch milk program, a continuation of the policy of making butter available to institutions, and some form of a stamp coupon program in order to get milk and butter to needy people. From time to time we have advocated a similar policy in this house. We have pointed out that a stamp coupon program could be adopted which would be similar to the stamp program carried out in the United States shortly before the war.

It is also interesting to note that the Canadian consumers' association, in a pamphlet they recently put out, also advocated a free school lunch milk program in order to expand the consumption of milk and an expansion of the program of converting milk into milk powder so it can be more easily stored.

If our surpluses continue to rise after the government has done everything conceivably possible to expand our markets for agricultural produce both in the domestic and external fields, I believe the government should then try to build up fairly substantial reserves of all farm commodities that can be stored against the day when crop failures might come. If when we have built up satisfactory reserves surpluses continue, I think the government would be justified in introducing a policy along the lines of the policy it adopted during the war, known as the wheat acreage reduction policy. I would say that policy would only be justified provided they had done everything in their power to expand the domestic and foreign markets and had built up substantial reserves to carry us over for two or three years of crop failures. They might set up something like the soil bank provided by President Eisenhower of the United States to encourage farmers to take poor land out of cultivation and put it into grass or forest. This would help to restore the fertility of the land; and if it were necessary to expand production later on, that land which had been sown to grass and was therefore in a more fertile state could be broken up and put into grain once again.

I submit that the government definitely owes it to the farmers of this country to announce just what they want in that regard. If they want the farmers to continue to expand their production, then they should guarantee that they will not have to suffer a lower price. If on the other hand the government feels that our production of agricultural products today is as high as it is wise to maintain it, the government should announce that and bring in a policy similar to that adopted in the United States in order to encourage farmers to preserve the fertility of their soil.

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, in seconding the amendment moved by the hon. member for Prince Albert I should like to say first to the C.C.F. party to my left that this is definitely not a new policy on the part of the Progressive Conservative party. To prove this I go back to April 8, 1941, where I find on page 2280 of *Hansard* of that day an amendment moved by the then hon. member for Lake Centre, the present hon. member for Prince Albert, reading as follows:

> That all the words after "that" in the motion be struck out, and the following be substituted therefor:
>
> "it be resolved that the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make."

That should make it plain to the C.C.F. party that this was first brought into the

House of Commons by the hon. member for Prince Albert back in 1941.

Mr. Nicholson: Would the hon. member go back to 1931?

Mr. Charlton: I will go back to 1931 in a few minutes if my hon. friend will just wait. I should like now to quote from a speech made by a former leader of this party, John Bracken, at Lethbridge in 1943, when he said:

In order to prevent wide fluctuations of farm prices we shall, in the case of our major export products, provide a floor price below which they will not be permitted to fall, and we shall allow to the producers the benefit of any advance thereon. Since price ceilings are now being maintained to prevent farm prices from rising to high levels in wartime, we shall see to it that price floors are provided, to prevent farm prices from dropping to unfair levels in peacetime. There should not be price ceilings on farm prices to prevent inflation in wartime, without price floors to prevent deflation in peacetime.

Then on March 23, 1953, the hon. member for Prince Albert moved another motion, to be found at page 3208 of *Hansard* for that year, as follows:

That all the words after "that" to the end of the question be struck out and the following substituted therefor:

"in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to provide floor prices for agricultural products at such levels as to ensure producers a fair price-cost relationship."

Surely that will answer the suggestion made by the hon. member for Assiniboia that this is a new policy on our part. It is not a new policy; we have stood for this policy for 15 years, and we are going to stick with it. As far as the C.C.F. subamendment is concerned we are quite willing to support it.

In regard to the criticism that we did not support the motion moved by the C.C.F. party on May 17, 1954, I think I should reread that motion, which is reported on page 4797 of *Hansard* and is as follows:

That all the words after the word "That" to the end of the question be struck out and that the following words be substituted therefor:

"in the opinion of this house, the government should give consideration to demonstrating its support of the principle of orderly marketing through livestock marketing boards by announcing floor prices with respect to cattle and hogs at levels not less than the average of the prices which prevailed during the period from January 1, 1951 to December 31, 1953".

This party has never been in favour of a definite stated price for any particular period. We submit that it should be an elastic price. I think probably I should quote the remarks of the hon. member for Brandon-Souris to be found on page 4812 of *Hansard* for that same date. The hon. member said:

As a matter of fact, the present plan has been repudiated by the majority of livestock producer groups in the province because it is too compulsory and, as has been indicated by the hon. member for Calgary North, it approximates socialized marketing. Among the groups who have not given their support to the plan are the Manitoba pools, which in a largely attended meeting in the city of Brandon just a few weeks ago, while supporting the broad principle of producer marketing boards, opposed to the extent of 90 per cent the proposal that has been put forward by the Manitoba farmers union. Also the Manitoba cattle producers association is opposed to the present plan.

I think we were quite justified in opposing that plan when it had been opposed by so many farm organizations across the country. The hon. member for Mackenzie suggested that I should go back to the 1930's, and I am ready to do that. I am willing to admit that when the Conservative government gave up power in 1935 the prices of agricultural products were low, but I would point out also that after five years of Liberal administration the inequality between the prices of the products the farmer had to buy and the prices of the products he had to sell had grown steadily worse.

In 1935, when the Liberals came into power, the parity prices were 20 per cent below; in 1940, after five years of Liberal administration, they had dropped to 23 per cent below parity. That should answer any question about the 1930's. I will say to the hon. member for Mackenzie that we are almost back now to the same ratio; we are closer to it than we have been at any time since 1932. I have here the *Economic Annalist* for February, 1956, volume 26, No. 1.

To prove the statement I have just made, I want to give farm prices of agricultural products from 1935 to 1940 on the basis of 100 for the 1935-39 price. In 1935 the figure was 88, in 1936 it was 96·9, in 1937 it was 119·7, in 1938 it was 105, in 1939 it was 91·8 and in 1940 it was 96·8. There was a rise of only 8·8 points in the period from 1935 to 1940. In the case of commodities and services used by farmers and taking the same period of years, 1935 to 1940, there was rise from 95·4 to 106·8, or an increase of 11·4 points. While farm prices fell 8·8 points the commodities the farmers were forced to buy rose 11·4 points.

Then we have the period from 1951 to the present time. On the same basis agricultural products have dropped from 296·8 in 1951 to a figure of 225·05 for 1955, this figure being the average for the first eleven months of the year. That is a drop of 71·8 points. In the same period commodities and services used by the farmers have risen from 230 to 251·3, or an increase of 21·3 points.

I believe that gives a fairly good idea, Mr. Speaker, of the net position of the farmers of the country today, and after all it is the

net position that actually counts. The Minister of Agriculture can bring all the figures he likes on gross income and net worth statements, but the net income is the only one the farmer knows what it actually means as far as money in his pocket is concerned.

To go back again, I think most people from the west will remember the famous Gardiner dodgers that were used there in 1934 in the campaign prior to the election in 1935. I want to refer to what was on the dodger. It contained these words:

Dollar wheat will give you a job and enable you to own your own home. Dollar wheat will pay for your light and water and give you a telephone. Dollar wheat will pay your grocery bill and buy boots, shoes and clothing for the whole family.

Mr. Rowe: Who said that?

Mr. Charlton: The Minister of Agriculture. He was not minister then but later became Minister of Agriculture. I continue:

Dollar wheat can provide a surplus for a rainy day. Vote Liberal.

What happened?

Mr. Lennard: You cannot buy the overalls.

Mr. Gardiner: There have never been any Tories elected since. That is what happened.

Mr. Rowe: You did a good job of fooling the people.

Mr. Charlton: In 1935 the price of wheat was 87½ cents a bushel. What happened to it from 1935 to 1940? It never did reach $1 a bushel until after two years of the world war. Yet the minister had the audacity to go across the country promising the farmers they would get dollar wheat. As a matter of fact, Mr. Speaker, wheat went down to 60 cents a bushel. The government wanted to pay the farmers 60 cents for their wheat in 1938, I believe.

Mr. Gardiner: Mr. Speaker, I know my hon. friend wants to be correct. The government offered an initial payment of 60 cents, not 60 cents a bushel for wheat.

Mr. Charlton: That is what I just said.

Mr. Gardiner: Oh, no; you said 60 cents for wheat.

Mr. Charlton: The government offered 60 cents as an initial payment.

Mr. Rowe: Your initial payment was less than they got under the former government.

Mr. Gardiner: As a matter of fact the initial payment was made at 70 cents. It was not 60 cents.

Mr. Rowe: That was 17 cents below what was paid by the former government, still 17 cents low.

Mr. Charlton: If the minister will just contain himself I shall go ahead and say what happened. If it had not been for a deputation of farmers from the western provinces they would have only received 60 cents, but there was such an outcry that the government was forced to make the initial payment 70 cents. During the campaign in 1934 before the 1935 election they also promised a terrific increase in exports. I have placed on *Hansard* on a previous occasion what actually did happen to exports prior to the time the Conservatives came into power in 1930 and after the Liberals came back into power in 1935. With the exception of three cases there was an increase in exports to Great Britain when the Conservatives were in power over what they were in 1929 or 1936. The table to which I refer can be found at page 3566 of *Hansard* of April 7, 1953.

It is not necessary for me to go over all these figures. As I say, with the exception of three cases where exports were a little higher in 1929 than in 1934, the year I have here, exports were smaller in 1929 and 1936 than in 1934. These are dominion bureau of statistics figures and I do not think the minister can refute them.

Mr. Gardiner: They are not correct.

Mr. Charlton: The minister has just said they are not correct.

Mr. Gardiner: The price of wheat in 1936 was one of the highest prices we had in that period.

Mr. Charlton: I did not say anything about prices. I referred to the export figures to Great Britain for the various products shown in this table, and I challenge the minister to say they are wrong. They are dominion bureau of statistics figures—

Mr. Lennard: He would not know.

Mr. Charlton: —and I do not think they can be said to be wrong.

Mr. Rowe: Are you taking the average? Maybe he is taking a special day.

Mr. Gardiner: $1.22 a bushel for wheat.

Mr. Rowe: What day was that?

Mr. Gardiner: The average through the year 1936-37.

Mr. Charlton: In the brief submitted to the cabinet by the interprovincial farm union council there is a very interesting table on page 4. As a matter of fact, it shows beyond any doubt that at the present time wheat is selling at a lower price as far as purchasing power is concerned than it was during the period from 1930 to 1939 or at any time during the history of this country with the

possible exception of 1931 and 1932. It is table 3 on page 4 of the brief and is headed, "Purchasing Power of a Bushel of Wheat Basis Fort William". Would it be possible to have this table placed on the record?

The Acting Speaker (Mr. Applewhaite): Did the hon. member indicate the source of the table?

Mr. Charlton: Yes, I said it was taken from page 4 of the brief of the interprovincial farm union council, submitted to the government of Canada.

The Acting Speaker (Mr. Applewhaite): Is it agreed that the hon. member has permission to place these figures on *Hansard*?

Some hon. Members: Agreed.

Mr. Charlton: The table is as follows:

Purchasing Power of a Bushel of Wheat
Basis Fort William

Average for 10-year period based upon	Average year price wheat cents per bu. Basis No. 1 Fort William	Index cost prairie farmers' living and production base 1935-39—100	Price basis purchasing power bu. wheat 1935-39
1891-1900	$ .76·4	59·5	$1.28·5
1901-1910	.89·1	68·3	1.29·8
1911-1920	1.53	111·7	1.33·2
1921-30	1.40·7	129·9	1.08·0
1931-40	.80·5	99·8	.80
1941-50	1.44·3	151·0	.94
Crop Years			
1950-51	1.85·5	215·6	.86
1951-52	1.83·6	227·9	.81
1952-53	1.81·7	224·7	.81
1953-54	1.56·3	224·2	.70
1954-55 (initial price)	1.40	226·4	.61·4

I will not read all the figures. I merely wish to refer to those having to do with the purchasing power of a bushel of wheat on the basis of 1935-39. For the period from 1891 to 1900 the figure is $1.28·5, from 1901 to 1910 it is $1.29·8, from 1911 to 1920 it is $1.33·2, from 1921 to 1930 it is $1.08, from 1931 to 1940 it is 80 cents and from 1941 to 1950 it is 94 cents. From then on the figures are given for crop years. For the crop year 1950-51 the figure is 86 cents, for 1951-52 it is 81 cents, for 1952-53 it is 81 cents, for 1953-54 it is 70 cents. For the year 1954-55 the initial price of wheat is given at $1.40 and on a net basis the figure is 61·4 cents.

We now come to the Agricultural Prices Support Act, which has been on the statute books since 1944. It was not put into operation until 1946. I want to point out at this time that the idea of floor prices was not the Liberal government's idea. A former leader of this party, namely Hon. John Bracken, brought out that idea and it was so well received by the Liberals that they put it into legislation in 1944, just prior to the 1945 election. In a statement over the radio on December 4, 1943, the late Mr. Mackenzie King said this:

> If, to help the war effort, farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to assure them against an agricultural depression after the war.

Then from the act itself we have its purpose stated in section 9, subsection 2. I should like to read that subsection:

> (2) In prescribing prices under paragraphs (a) and (c) of subsection (1), the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

That wording is taken from the act itself. Then, Mr. Speaker, we have a rather peculiar statement in the annual report of the agricultural prices support board; and I think this is more nearly government policy than that set out in either of the other two cases. On page 3 of the annual report of the agricultural prices support board for 1954-55 which is the latest one available, at the bottom of the page we read this:

> In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not always as high as desired by producers, the board rejected applications for price support on potatoes and forage crop seeds and continued to hold in abeyance an application for poultry meats.

That, Mr. Speaker, is apparently the attitude of the government, namely to hold in abeyance, pigeonhole, put in the files or in any way at all get rid of it at the present time.

According to this latest available report, that of 1954-55, the total that has been paid out under this act in the number of years in which it has been operative—that is nine years up to 1954-55; that is all I have a record of here—is $83,374,586.71. That is the total cost. Of that figure, Mr. Speaker, I want to point out definitely that $70,067,497.56 had regard to cattle and hog prices as a result of the foot-and-mouth disease, a figure which is most extraordinary and which could not be taken as an example of what this agricultural prices support board cost would be ordinarily. All other costs amounted to $13,307,089.15.

Before proceeding with that matter, I should like to correct an obvious mistake which was made the day the estimates of the Department of Agriculture were before the house. Although I cannot quote from *Hansard* I can give in my own words what was meant. The hon. member for Moose Jaw-Lake Centre made the statement—and incidentally it had a good deal of publicity across the country—that the floor price on butter had cost the Canadian taxpayers in that year, apparently 1954, $8 million; "during the current year" is the way he put it.

I want to point out, Mr. Speaker, that that is absolutely incorrect. I am not suggesting that the hon. member made this statement knowingly. I think he probably just misunderstood the Minister of Agriculture on the same day when he said, as reported at page 1055 of *Hansard*, that the cost would probably be $8 million by May 1 of the next year. I want to point out definitely that I think that figure of $8 million is far too high. The cost up to 1954 was only $3,175,085.71. Taking the minister's own figure of $1,600,000 paid to the trade to reduce the price from 58 cents to 53 cents in 1953, the total would amount to not quite $5 million.

Mr. Gardiner: That is included in the first $3 million.

Mr. Charlton: I know that a great error was made in suggesting that the floor price on butter cost the taxpayers of Canada $8 million in one year. If it is $8 million—and I am not suggesting it will reach that amount; but according to the Minister of Agriculture it might do so by this next May 1—that will be for seven years instead of one. I think it is just as well to get that situation clear.

As I say, the total subsidies paid by the government under this act were some $83 million. As is not known by many, all subsidies are not paid to agriculture. I want to be clear on this point. There is a considerable amount in the way of subsidies that go to industries other than agriculture. From 1946, when the agricultural prices support board came into being, of the total subsidies paid out by this government in only four years out of the nine was over 50 per cent received by agriculture. In five of those nine years over 50 per cent was received by industries other than agriculture, and they are quite numerous. I do not want to go over them.

Mr. Diefenbaker: Clear the matter up.

Mr. Charlton: For instance, in 1954 the following government subsidies were paid:

Government subsidies 1954

Federal:	($ Millions)
Department of Agriculture:	
Feed freight assistance, western grain	19
Hog premiums	5
Agricultural prices support board loss	4
Miscellaneous:	
Payments, co-operative marketing act	4
Lime assistance	1
Premiums cheese	1
Total agriculture	34
Other federal subsidies:	
Emergency Gold Mining Assistance Act	15
Maritime Freight Rates Act	11
Movement of coal	12
Miscellaneous:	
Steamship subventions	4
Payments, re trackage C.N.R. and C.P.R.	7
Other	2
Total other	51

"Other" includes payments re immigrants en route; fishing bounty; payments re Canadian coal; drydock subsidies; subsidies—salvage companies; subventions—air carriers; payments re fisheries price support and destruction of harbour seals. In that case the agricultural subsidies paid out were $34 million and subsidies paid out to other industries were $51 million.

There are many other subsidies in addition to those, Mr. Speaker, that are paid by consumers by reason of tariff protection. However, it is not my intention to go into that now. I admit that tariff protection is necessary in a good many cases. But if this is so, is it not just as reasonable that the farmers should have protection as well? The present economic plight of the farmers generally is serious.

I want to go back again to the brief of the farm union, page 6, where it is definitely stated that 38 per cent of the farmers in this country have a gross income of less than $1,200 a year. I repeat that 38 per cent of the total number of farmers in Canada have a gross income of less than $1,200 a year. The minister might have been right when he said back in 1953, as I distinctly recall, that if the figures could be produced, 90 per cent of the farmers in eastern Canada did not make enough to pay income tax. Probably he was closer to being right than he thought at that time.

Then again, as was stated by the hon. member for Assiniboia this afternoon, from 1951 to date the net income of all farmers in Canada has been reduced by 48·22 per cent. If anyone doubts that statement, Mr. Speaker, all he needs to do is drive around the rural districts and see the number of farm homes and farm buildings that are going to rack

and ruin, actually falling down in many cases. He could visit the county registrar's offices and find out the increase in the number of mortgages that have been put on farms in the last couple of years, or visit the township tax collector and find out how many people are in arrears on taxes in this last year. If anyone still does not believe that the farmers' situation is a bad one now, that is one way of finding out.

This, as I said, is the situation with regard to the farmers' income. While the general economy of Canada has probably never been better, the farmers, one industry, have suffered a 48·22 per cent decline in their income. Practically all others are receiving better incomes than they ever received in their lives before. Is that fair? No one, not even a person on the government side of the house, would state that was a fair situation, or one that could be ignored or about which the government could sit back and take a do nothing attitude.

A *Financial Post* survey shows that 25 corporations dealing with farmers increased their average profits after taxes by 402 per cent between 1946 and 1954. One of the larger packing companies indicates in its annual report that the average profit over the last 10 years was 27·5 per cent of their capital investment. I would venture to say that there are very few farmers who would not be tickled to death if they could average 2 per cent or 3 per cent net on their capital investment every year.

While some of these companies admit that they buy as cheaply as possible and sell for as much as possible, most farmers are forced to pay the prices they are asked and to sell for what they are offered. In order to improve their marketing position, many commodity groups have set up plans under provincial marketing legislation to sell their products. Many such plans are in operation in Ontario now, and have been quite successful. Most farmers feel that this method of marketing is one solution to the problem, but certainly it cannot be said that farmers' organizations are not trying to help themselves by every possible avenue open to them.

In view of the fact that the two main labour organizations, the Trades and Labour Congress and the Canadian Congress of Labour, are on record as being in support of the principle of equitable prices to the primary producers of agricultural products, why does this government stubbornly refuse to make adequate use of the existing floor price legislation? We ask, as we have asked on various previous occasions, that the government bring forward an amendment to include in the Agricultural Prices Support Act a formula which would ensure agriculture producers a fair and equitable basis for arriving at floor prices. The farmers of Canada, comprising approximately 17 per cent of the population in 1954, received 6·8 per cent of the national income. I know quite well, as does everyone else, that the 1955 figure will be still lower. The situation requires a realistic floor price policy for agriculture if the economy of our country is to be maintained at a reasonable level of prosperity.

Mr. F. S. Zaplitny (Dauphin): I rise with pleasure, Mr. Speaker, to participate in this debate and support the amendment moved by the hon. member for Prince Albert as well as the amendment to the amendment moved by the hon. member for Assiniboia. One of the reasons we felt it was wise to add the subamendment was to make it quite clear that what is involved in this debate particularly is a question of principle rather than a question of method. We believe that when we discuss parity prices with respect to agriculture, this parliament should be asked to accept and adopt the principle that agriculture as a whole in this country, being a basic industry, should receive its fair share of the national income. The method by which that can be brought about can be discussed in greater detail after such time as this parliament has become committed to the principle.

This afternoon I should like to discuss this amendment under four headings. First of all, we have to establish who wants parity prices. As this debate continues I have no doubt there will be government members who will be tempted to get into the debate and try to prove that there is opposition to this proposition about parity prices. I think it would be interesting not only to assess who in this house is for and who against the principle of parity prices for agriculture, although that is fairly obvious, but also to note that the members of the opposition have not only in the debate this afternoon but on previous occasions expressed themselves in favour of similar motions to the one which is before us and which were placed before the house by my C.C.F. colleagues.

Therefore, so far as the three parties sitting in the opposition are concerned, there is no question with respect to their acceptance of that principle, but there may be some question as to how it is regarded on the other side of the house. By deduction we shall have to assume that the members of the government are opposed to this principle because in the past they have so expressed themselves. But I believe there are a large number of private members on the government side of the house, and perhaps more

particularly those members representing agricultural constituencies in western Canada, who are thoroughly in favour, in their own minds at least, of the proposition which we are now placing before the house. What I have to say this afternoon will be more or less directed to those members because, while the government may regard this motion as a want of confidence motion—it is their privilege, of course, so to regard it—yet I believe that if the government on this occasion were to announce that they are willing to allow this motion to go to a free vote of the house—and under the rules of the house that can be done—

Mr. Gardiner: May I call the hon. member's attention to the fact that the mover of the motion indicated that it was a want of confidence motion, and went on to make his speech for the length of time he desired.

Mr. Zaplitny: I beg to differ with the Minister of Agriculture on that, because I listened very carefully at that point. What the hon. member for Prince Albert said was that this was the kind of motion which he assumed the government would not be prepared to accept. That is a different thing from saying—

Mr. Gardiner: On a point of order, Mr. Speaker made it known that his time was just about exhausted. He said, "If it is considered a want of confidence motion, then you have all the time you wish", and the hon. member went on and took it.

Mr. Knowles: He had unlimited time, anyway. He was the first opposition member speaking in reply to a minister who had moved a government order.

Mr. Zaplitny: Now that the expert on the rules from Winnipeg North Centre has informed the minister what the rules are, we may proceed with the question.

As I said, I listened very carefully to what the hon. member said when he moved his amendment. What he did say was this: Even though it was suggested to him from the Chair at the time that this motion may be considered a want of confidence motion, he assumed it was the kind of motion that the government was not prepared to accept. Now, that is a different thing entirely from a want of confidence motion.

The government, as a government—and I am speaking now of the cabinet—may have their own views. They may even have divergent views on this question. I rather suspect they have. Perhaps the Minister of Agriculture would be in a position to give us some very interesting details on that. However, they are bound by tradition, perhaps, to adopt a common policy. If they have adopted the policy amongst themselves as being opposed to the principle of parity prices, then of course they will have to argue for their position and they cannot diverge. But there is nothing to prevent the private members, who normally support the government on questions of confidence, from expressing their own opinions as private members on this question, and voting as they see fit when the matter comes to vote.

What I was about to say when I was interrupted by the minister was this. The government could facilitate the situation so far as those private members are concerned by any one of the ministers—and I think most appropriately in this instance it would be the Minister of Agriculture—rising in his place and saying that while the government have adopted a certain position for certain reasons, they would like to have the free and open opinion of all the private members of the house, including those who support the government, on this question of principle. There would be no harm done.

If that were done, then those members who represent agriculture in this house, or who represent constituencies largely agricultural, would be in a position to state their opinions openly and clearly. If, under those conditions, they are still opposed to the principle of parity prices, then of course they should say so and their vote would logically follow their opinion.

But I am afraid that once again, as in the past, we are heading into a sort of cul-de-sac, where private members supporting the government have in their own constituencies and elsewhere in the country made speeches in support of this very principle, and have stated again and again that they are prepared to go along with this principle of parity prices; but when they come to this house, because the government holds them down to the definition of a want of confidence motion, of course they have the excuse when they go back to their constituencies to say, "Well, of course, we would like to have supported the motion. It was in line with our thinking, but in doing so we would have defeated the government and would have had to come back to the people in a general election.

Of course even that is a poor excuse, because in a democratic parliament no member, regardless of where he sits or what government he supports, should let the fact that a general election may result from the particular way in which he votes deter him from voting that way. After all, we are only representatives of the people here. We are the temporary trustees of the public trust as a parliament, and it is the electors themselves who should decide the main issues of the country. Be that as it may—

Mr. Studer: May I ask a question? How many free votes does the socialist government of Saskatchewan allow its members?

Mr. Zaplitny: Mr. Speaker, we are now concerned with what is happening in this chamber, not with what is happening, or what the hon. member claims may be happening, somewhere else. I would suggest he address that question to his colleagues in the Saskatchewan legislature and they might be able to inform him on that question.

Mr. Byrne: Is the hon. member satisfied that he has answered the question?

Mr. Zaplitny: I simply have to state quite frankly that I am not in a position to answer a question arising out of what happens in the Saskatchewan legislature. I leave it to the members of that legislature to answer for themselves. The question before this house is whether the members of this house who sit on the government side—because they are the ones who are going to decide this issue—are prepared to express their opinions and by a free vote, a free opinion on the merits of the principle in this amendment rather than toeing the party line and voting simply to uphold the government. I hope that before the debate is over the Minister of Agriculture will rise in his place and give freedom to the followers of his party to speak and vote on this question as they please.

Who are the organizations, outside of the membership of this house, who are interested in this issue, and what are their views? I would like to call as the first witness the members of the Manitoba farmers' union in convention in Winnipeg on December 5, 6 and 7, 1955. One of the first resolutions that appeared on the agenda of that convention, which was carried, reads as follows:

> Whereas decreased farm income due to depressed prices drastically affects the living standards of the farm family, and
>
> Whereas there appears to be no lessening to any appreciable degree of the price squeeze pressure, and it is quite obvious that the continual deterioration in the agricultural economy is now being reflected to a marked degree in our national economy,
>
> Therefore be it resolved that we urge the federal government to establish a parity price program which will equal 100 per cent of parity on all agricultural products.

That sets out very clearly, without need for much comment, the attitude of the Manitoba farmers' union in convention. I might add that, of course, is also the representative views of the farm unions of all the provinces of Canada.

Then I call as the second witness the presentation made to the Manitoba members of parliament—and that included the federal members of parliament—in December of 1955 by the Manitoba federation of agriculture and co-operation. In that presentation they had this to say, as shown on page 4 under the heading, "Equality for Agriculture":

> We believe that farm families generally, should receive prices or returns that will yield them enough income from farming to maintain a level of living equivalent to that of persons in other occupations with comparable skill, effort and investment.
>
> The M.F.A.C. has, over a long period of time, advocated and worked for equality or parity for agriculture.

That sets out the views of the Manitoba federation of agriculture, which represents a large number of farmers in that province and includes most of the co-operative associations.

We call as a third witness the Canadian Federation of Agriculture, which is the parent body of the M.F.A.C., and their annual submission to the government of February 14, 1956. On the fourth page of their brief they had this to say:

> Farmers feel that the worsening of their relative position has reached a point where it should be recognized that it is a vital concern of the public's, as well as of the farmer's, that this trend be halted. The farmer's position is difficult enough now to ensure that he will make any further production adjustments that are within his ability to make. However, it should be emphasized that a continuation of the recent downward trend in farm purchasing power will create economic hardship, make it difficult to maintain adequate municipal and educational services, and delay rather than encourage the further healthy development of agriculture in this country.

That is the studied opinion of the Canadian Federation of Agriculture in its submission to the government this year. I think it sets out rather adequately that so far as organized agriculture is concerned, and that includes organized agriculture right across this country, they are in favour of the principle of parity income for agriculture.

We know now that so far as the farmers themselves are concerned they want this to be adopted. So far as hon. members sitting in the opposition are concerned we want this policy adopted, too. That leaves the onus on hon. members sitting on the government side of the house to cast the deciding vote. It is a serious responsibility and one which they cannot take lightly, because this question has reached a point in the thinking of the farm organizations across Canada where I predict it is going to be one of the major issues in the next election.

Hon. members who support the government and who represent agricultural constituencies I think will not be able to wiggle out of that position by simply stating they were voting to uphold this government, as if the government were tottering and ready to fall and

had to be upheld on every occasion. They will have to take the responsibility for their actions as individuals representing the constituencies which they were elected to represent. They will not be able to use as an excuse the fact that the government considered this as a question of want of confidence.

I come now to the second part of what I have to say. I have already discussed who wants parity prices, and I would now like to turn to the question of why we want parity prices for agriculture. It is not only because it is a good subject for academic discussion. It is rather because, from a practical point of view, after having canvassed the situation and the position of agriculture from the various angles, the farm organizations have come to the conclusion that unless this government—or this parliament, to be more exact—takes steps in the near future and takes a hand in the economy of this country with respect to both the income of agriculture and the expenses of agriculture incurred in production, then the downward trend of farm income is going to continue. That situation is aggravated all the more by the fact that while the trend of the returns has been downward, and figures have been quoted today which show that the decrease runs as high as 48 per cent in recent years, the cost of production is still either static or rising.

In a situation of that kind it is not enough for the government to say that it hopes the situation will change because of the trade position, or that markets will increase for other reasons. We have reached the point where we are now either going to take a hand in assisting agriculture to get its share of the national income or we will have to say to agriculture, "We are not going to do anything about it", and the farmers will have to decide as individuals or family units whether they are going to stay in agriculture or do as so many have already done, leave the farms and flock to the cities thereby aggravating the unemployment situation during the slack period, and adding to the problems which already exist in the over-congested cities in our country. Therefore it is a serious question.

I would like to refer to page 5 of the submission made by the interprovincial farm union council to the government on February 16, 1956, in which they point out some of the trends I have been speaking about. We have heard a great deal about the grain situation, but I would like to emphasize the fact that so far as agriculture is concerned, livestock in my opinion is much more important than grain so far as the stability of income is concerned.

With respect to cattle we find that a comparison between the years 1951 to 1954 shows a steady downward trend. The yearly weighted average price per hundredweight of total sales on public stockyards for cattle in 1951 was $28.22; in 1952, $20.00; in 1953, $15.30; in 1954, $14.45. The statistics do not appear for 1955, but we have no reason to believe that the picture is any better.

We come then to grade A hogs dressed, in the second period 1954-55. In the first half of 1954 the price was $33.33; second half of 1954, $24.92; in the first half of 1955 the price was $23.52; in the second half of 1955, $23.17.

In recent months hon. members of this group have pointed out to the Minister of Agriculture and the government that in many cases the price has dropped even lower than the established price under the Agricultural Prices Support Act.

Another interesting set of statistics contained in the same submission is a comparison of the return on investment. There are those who regard agriculture as a business. I personally regard it as something more than that; I think it is a way of life. Let us look at agriculture from the business point of view for the time being. We find as contained on page 8 of this submission that in 1954 Canada Packers Limited showed a return on capital investment of 25·2 per cent whereas in the same year, if you take the grouping of all farmers in the province of Manitoba and take into consideration their investment and return, in 1954 their return on investment amounted to ·001 per cent. That is a very striking contrast as to what the returns on investment are for agriculture as compared with another industry.

Figures have been given today to show the comparative share of the national income or the gross national product received by farmers as compared with the national economy generally. We find that in 1952 farmers received 11·4 per cent of the national income, whereas on a proportionate basis they should have received something like 20 per cent. In 1953 they received 9·9 per cent. In 1954 it went down to 6·8 per cent, and no doubt it will be less than that in 1955, probably around 6 per cent. There again we have plenty of evidence to show that on that basis agriculture has good reason for asking that this parliament take action with respect to a parity income for agriculture in order to ensure that farmers get something like their fair share of the national income.

I come now to the third heading, and that is how can we establish parity income for

agriculture. I said earlier that the methods may differ. Other hon. members may have their own ideas as to how this can be done, and I for one will be very glad to hear them. The government itself may have some ideas on this question, but in my own opinion and speaking for myself I think there are two main channels through which we can approach the question of parity income for agriculture.

One of these would be a method of setting a system of floor prices and using subsidies where necessary to maintain those floor prices. Under that system it would be necessary to extend the provisions of the Agricultural Prices Support Act in order to make greater use of marketing boards, because it is only through a system of marketing boards that this act can be properly administered, as I shall show in a minute or two. Wherever it is found necessary, in order to maintain floor prices as a protection or guarantee against a fire sale of a particular product, this parliament should be prepared to vote moneys to be used as subsidies to uphold those floor prices.

I should like to mention this because when hon. members in this house speak about subsidies in order to maintain floor prices, there are many people in the country who do not quite understand what is involved. They have a vision of this parliament having to vote hundreds of millions of dollars annually for the purpose of subsidizing this, that or some other agricultural product. If we have a system of guaranteed floor prices that is not necessarily what is going to happen, and I am fairly sure that is not what would happen.

There would be times when this parliament would be called upon to make an appropriation in order to prevent the surplus of a certain product depressing the price of the whole market at that point, but as long as the market price remained at the level of the floor price or higher it would not cost the public treasury one cent in the form of subsidy to maintain the floor price. That is something that should be emphasized and understood, that a floor price and the willingness to maintain a floor price by means of a subsidy does not necessarily involve the expenditure of public money. It acts as insurance; this government could act as an underwriter in order to prevent prices falling below a certain floor. We should be prepared to use public funds to maintain that floor price.

There is another method which I believe could be used alongside this one, but which is not being used at the present time, and I refer to price control. I remember during last session we were told a number of times that one of the reasons we cannot expect farmers to get better prices for certain products was the necessity of meeting world competition. We were told that therefore they had to keep their prices at a level which would be competitive with the prices of agricultural products elsewhere. They were advised from time to time to cut down their cost of production by greater efficiency, by the use of more modern methods, by greater production per unit and in that way be able to compete on the world markets.

We know that the possibility of their doing that is limited strictly by the factors which enter into the cost of production. If we are going to accept the principle or the idea or the theory that we should try to produce agricultural products at prices which will be competitive with agricultural products grown in other countries, then we will have to take steps to see that the cost of the articles which the farmer has to buy and which enter into his cost of production are controlled.

I think that in order to have a really successful system of parity prices in this country we shall have to employ eventually both these methods or a combination of them, that is a system of floor prices with marketing boards for their administration and a system of price control in order to maintain the cost of production at a reasonable figure. If the cost of production is not controlled we may find that many of the advantages of floor prices would be frittered away by those who are in position to exploit the farmer through profiteering.

In my opinion the whole question boils down to providing sufficient purchasing power within our own country to make it possible for the people to buy at the proper price level all the agricultural products required by our population, and having some machinery set up for the purpose of assisting in the sale of our surplus products on the world market, not at the cost of the producer but if necessary at the cost of the nation as a whole.

I want to emphasize again that the most important and most desirable market for agricultural products that can be found anywhere in the world is the market we have right here in Canada. There are hundreds of thousands, perhaps millions of people who would be using more food, a better quality of food and in greater quantities if they had sufficient income to be able to do so.

This was illustrated most vividly during the years of the war and immediately after the war. When money began to circulate in this country and people began to have steadier jobs at better pay we found that the consumption of agricultural products began to rise so

markedly that during the war years we had to have food rationing because the demand was beginning to exceed the supply. Now the shoe seems to be on the other foot. If we could do something, if we could increase the purchasing power of the Canadian people and bring about that happy relationship where effective demand would more or less equal supply, then we would have an ideal situation.

I should like to finish before six o'clock, and if I could take just one minute I should like to set before the house five points which I believe should be followed in order to bring about this sufficient effective purchasing power to provide a better market for agricultural products in our own country.

First, we should accept the principle of parity for agriculture.

Second, I would advocate a system of floor prices to be established for producers. I emphasize floor prices for producers, because under the Agricultural Prices Support Act we find that even where floor prices are established they work to the advantage of the packers or dealers and do not find their way down to the producer level.

Third, the establishment of low cost credit for our agricultural producer.

Fourth, effective action to prevent monopolies and combines. I was interested in hearing the hon. member for Brant-Haldimand say that an industry which does business with the farmers had increased its profits by something like 402 per cent. I think I heard the hon. member correctly, and if he confirms that figure there is something wrong when we find that the income of agriculture has dropped by 48 per cent in recent years while the profits of this industry which deals with the agricultural industry have increased by 402 per cent. They do not do that by ordinary business practices. We know that monopolies and combines constitute a greater danger and threat to our economy than ever before, and effective steps should be taken to combat that type of practice.

Fifth, and perhaps as important as any of the others, is the fact that if we are to have sufficient effective purchasing power in this country we must expand to the greatest possible extent our social welfare legislation to provide all those who need goods and can use them with the purchasing power in order that they can buy the good things of life that we have in such abundance in this country.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, the matter before the house is perhaps one of the most important and challenging that has ever come before this assembly. We are now discussing the matter of asking the government to give consideration to bringing in a policy of parity prices for agriculture. I say this, Mr. Speaker, because unless we can bring about for agriculture policies which will give a fair share of the national income to our agricultural producers I think we shall have difficulty in every part of our economy.

Before the dinner recess I was most interested in the remarks of the hon. member for Dauphin, when he stated he believed that if members on the government side of the house were given the liberty of voting according to their feelings with respect to this matter, and if a free vote were allowed, they would join with members on the opposition benches in supporting this resolution.

Mr. Byrne: We could not do that. Only the Tories want socialism.

Mr. McCullough (Moose Mountain): I think there are three phases in respect of this whole problem; first, the economic position of agriculture; second, what does the future hold for agriculture; and third, how can we achieve our objective? There may be some people who are not too greatly concerned about agriculture. They think perhaps the Canadian economy, with its buoyancy in the industrial field today, is sufficient to sustain a relatively high income for our Canadian people. On the other hand I am sure that agriculture will be in the future, as it has been in the past, the chief segment of our economy upon which we can build the strength of our prosperity. For this reason I think we should examine all phases of the economic position of agriculture at the present time.

It is true that we have many sources of information coming to various members of the house in respect of farm income, both on a national and a regional basis. While it is true that the general Canadian economic picture is not so bad—the figure is just down a few points; 3 per cent or a little less when one considers the whole of the Canadian economy —on the other hand in western Canada we have a situation where the three western provinces during these last three years have experienced a tragic drop in farm income. According to the Canadian *Wheat Pool* of February 6, 1956, the total farm income for 1954 was $2,377 million, or $398 million below

that of 1953. It is also a very important matter that the income of the farmers in Manitoba, Saskatchewan and Alberta—that is, their 1954 income—was down a total of $404 million, some 28 per cent below the 1953 income.

It is true that during this period profits and in many industries wages boomed. But we have the three western provinces with their income down 28 per cent from 1953. As I stated earlier, we have a number of sources from which we can find out the kind of income which farmers are receiving today. While newspapers across the country have expressed concern with respect to farm income, I think this government has not yet awakened to the seriousness of the situation. I have here a clipping from the Montreal *Gazette* of January 18, 1956 in respect of farm income. The Bank of Nova Scotia monthly review has this to say:

> The continued restriction of farm purchasing power in the west and the failure of the farm sector generally to share in the buoyancy that characterized other parts of the economy in 1955 cannot be regarded lightly . . .

Then it goes on to point out the drop in income. Again, the Windsor *Star* of January 12, 1956, contains an article quoting the words of Professor Buckley, who states that although the prairie people are aware of the fact, he thinks the rest of Canada is not impressed with the reality. Then again the Ottawa *Citizen* of December 22 had this to say, quoting H. H. Hannam. The article states that farm income has dropped 23 per cent from 1951, and then Mr. Hannam says:

> How would anyone else like to take a 25 per cent salary cut?

And he goes on to say this:

> We are not hollering blue ruin or depression, but now is the time when the downward trend must be checked.

Mr. Byrne: What do you suggest?

Mr. McCullough (Moose Mountain): I am going to come to that.

Mr. Byrne: Oh, you are going to come to that?

Mr. McCullough (Moose Mountain): I am suggesting, as are many other people, that the members on the other side of the house, namely on the Liberal benches, support the principle of parity prices. Now that we have had an interjection from the hon. member, I hope he will see fit to get to his feet and say what he thinks. I am saying what I think.

Mr. Byrne: I do not think like the socialists.

Mr. Studer: The hon. member is stating what the papers say.

[Mr. McCullough (Moose Mountain).]

Mr. McCullough (Moose Mountain): Again, Mr. Speaker, the *Globe and Mail* of February 17, 1956, contains an article under the heading "Low Incomes driving Farmers from Land". While it indicates again the drop in farm income it has this to say:

> Canada Packers Limited shows an indicated average profit for 10 years of 27.5 per cent on their capital investment. This is more than three times the expected return on general investments and 25 times more than was received by farmers on their capital investment in 1954.

As I said before, it seems difficult to convince this government that we need for Canada agricultural policies to prevent this sort of downward spiralling of farm prices. In that connection the Winnipeg *Free Press* of December 29, 1955 has this to say. The article is headed "The West ignored". Commenting in the report of the Minister of Trade and Commerce on economic conditions in Canada, it says:

> Mr. Howe's review has one other feature of note, and particularly of note to western Canada. The review largely ignores western Canada. It describes the economy in a state of vigorous expansion, bordering on the dangers of speculative excesses and an inflationary boom. This is entirely accurate for most sections of the economy. It is not the whole picture for the prairies. It ignores the state of the farmer.

I fear that is the important point in the discussion which is taking place at this time, Mr. Speaker, and indeed in relation to the arguments and discussions which have taken place since this new session began. From coast to coast the state of agriculture is a fiasco, and this government has not seen fit to do much about it. As I stated before, I think we must examine the economic position of the farmer. I have given some excerpts from newspaper thought in respect of the question, and I should now like to examine it a little more closely.

I have here a chart prepared by the dominion bureau of statistics dated February 26, 1956. This chart shows farm income, farm expenses and value of farm capital in Canada from 1945 to 1954. It shows the gross income, operating costs, depreciation, net income and value of farm capital. I am just going to illustrate the situation in 1951. There was a gross income of $3,578 million; operating costs were $1,238 million; depreciation, $196 million; net income, $2,154 million.

The important thing, Mr. Speaker is this. By 1954 the gross income had dropped to $2,624 million; operating costs had risen to $1,255 million; depreciation was even higher, $245 million. The net income had again dropped from a high in 1951 of $2,154 million to $1,125 million. This chart illustrates and gives a vivid graphic picture of farm

income in Canada. Rather than try to put the whole thing on the record, I should like the permission of the house, Mr. Speaker, to place this chart on *Hansard*.

Mr. Deputy Speaker: Would the hon. member indicate the source of this record?

Mr. McCullough (Moose Mountain): The dominion bureau of statistics.

Mr. Deputy Speaker: Has the hon. member unanimous consent to place this table on *Hansard*?

Mr. Gardiner: May I ask the hon. member if he is putting on the record 1952 and 1953 as well?

Mr. McCullough (Moose Mountain): Yes, up to 1954.

Mr. Deputy Speaker: Has the hon. member unanimous consent to place this table on *Hansard*?

Some hon. Members: Agreed.

Mr. McCullough (Moose Mountain): The table is as follows:

Farm Income, Farm Expenses and Value of Farm Capital, Canada 1945-1954

Year	Gross Income	Operating Costs	Depreciation (thousand dollars)	Net Income *	Value of Farm Capital
1945	1,761,834	686,547	110,145	971,582	5,671,788
1946	2,000,715	761,934	117,094	1,138,637	5,902,005
1947	2,251,085	927,791	128,662	1,206,209	6,415,640
1948	2,810,196	1,008,862	140,519	1,681,563	7,148,643
1949	2,802,494	1,026,231	153,387	1,640,504	7,525,129
1950	2,727,433	1,119,089	174,069	1,448,081	8,223,271
1951	3,578,453	1,238,011	196,271	2,154,527	9,354,900
1952	3,500,548	1,369,860	212,346	1,923,473	9,425,311
1953	3,226,711	1,295,925	232,753	1,699,605	9,358,798
1954	2,624,732	1,255,826	245,692	1,125,641	9,718,961

* Includes supplementary payments made under the provisions of the Prairie Farm Assistance Act.

I should like also to illustrate the purchasing power of the farmer's dollar in 1954 in relation to other years. Again I am not going to use too many figures. We can go back to 1910 and see that the purchasing power of a bushel of wheat was $1.29. In 1954-55 with the initial price at $1.40, the purchasing power of a bushel of wheat had decreased to 61·4 cents. I submit I have put sufficient figures on the record to indicate the plight of agriculture today.

Now, I think we should try to examine the future. I am most impressed with the fact that it was the Conservative party which this afternoon moved for parity prices. I feel we have long since convinced many people in Canada that unless agriculture gets a fair share of the national income, unless we have agriculture policies in this country which will give the farmer a fair relationship between the things he has to sell and the things he has to buy, we cannot have justice and certainly we cannot have a stable economy.

This government may not worry very much about what is happening in agriculture. I, for one, want to join with those people who believe that the family farm is the type of farm we should support in making our policies. I believe policies of that type will add strength to the family and to our nation generally. I am going to suggest to this government that unless they can take this problem in hand and see to it that the family farm is saved from disintegration, we are going to have bigger and bigger farms in this country. This has been the trend in the United States for many years, and perhaps it still is. We see this happening in Canada today. The investment necessary to start a small farm today is too large for the young farmer to undertake. I noticed that in the submission the Manitoba government made to the Gordon commission they indicated that $17,000 was the capital investment in the average Manitoba farm. I believe it would be somewhat higher in Saskatchewan. It is clear that a young man wanting to take up agriculture as his way of life is not likely to be able to finance the undertaking.

We do not have a national policy on credit that would give low interest loans and enable a young man to set himself up on the farm. Indeed, today under the various acts providing for farm loans and farm improvement loans, the interest rate is quite a bit too high. Young people graduating from high school or university who would like to go on farms are forced to find other occupations just because proper financing is not available to enable them to undertake agriculture.

In addition to that there are the fluctuations and vagaries of this system, not the law of supply and demand, but purely the fact that the individual farmer gets little help and is

expected to market his products under conditions over which he has no control.

I want, therefore, to support the principle of parity prices. As I said before, the interprovincial farm union council and the Canadian Federation of Agriculture support parity prices. We have, too, the large labour unions in this country supporting the principle of fairness and equity for agriculture.

I have here a clipping from the *Globe and Mail* of February 20 which I should like to read. It says:

> T.L.C. chief, Claude Jodoin and C.C.L. head A. R. Mosher—whose organizations are soon to amalgamate—agreed also that farmers should get "equitable" or parity prices on all farm products.

In respect to this whole argument on parity prices, there are those who say they are in favour of agriculture getting a fair share of the national income but they are against parity prices. I do not know how you can have it both ways. I do not know how you can say you are prepared to support policies which will guarantee the producers a fair share of the national income, yet at the same time you are against parity prices. I find it difficult to see how such people can be sincere. I feel that the two are synonymous. Parity prices simply mean justice and equity for the agriculture producer.

I do not believe it does much good to go into the past. I think we should be looking to the future. I feel sure the Minister of Agriculture would join the rest of us if he were a free agent and able to state whether or not he was in favour of parity for agriculture. I would suggest that members on the Liberal benches who come from the prairie provinces and represent agricultural constituencies should get up and state what they think about this. I agree with the hon. member for Dauphin. When the federal election rolls around I do not believe any western farmer will believe any of those hon. members who say, "Oh, yes, we are in favour of it; we are in favour of parity prices, but we could not do anything else because we had to support the government." Everyone in Canada knows that this government has such a preponderance of numbers on the benches opposite that they could send 100 members home and still carry measures; there would be little chance of the government being defeated. Of course, at times they are not all in the house. If the government wanted to, it could have a free vote. They could take off the whips and let hon. members rise to their feet and say what they believe.

Since I am talking about farm income, may I say that I have heard the Minister of Agriculture out west state his financial position as a farmer. I do not want to be unfair about this; but he knows full well the vagaries of agriculture, of nature, and the fluctuations in prices with which the farmer has to cope. He knows that for many years as a farmer he himself was in the position that many farmers in western Canada are facing today. If he would try to get his colleagues to say that in the interests of every Canadian we have to do something tangible in order to meet the challenge before us—

Mr. Gardiner: Before my hon. friend concludes will he permit me to remind him that when we first opposed parity prices, or brought in the system we now have, we had a majority of only three or four, I think.

Mr. Knowles: Canada had better government from the Liberals in those days.

Mr. McCullough (Moose Mountain): Now you have a big majority, but that is no reason for doing what you like. More than that, if you were in favour of this resolution you would have the support of all the members on the opposition benches. Therefore I do not think your argument holds water at all.

What we are asking for, Mr. Speaker, is a national policy adequate to meet the need. First, we should have a low interest rate so that any young farmer in Canada could go into agriculture as his life work, as his vocation. Second, and this is most important, we should have a policy which would give stability to the various kinds of production. At the present time there is pressure on the marketing of hogs and cattle. I believe it was just two years ago that the Minister of Agriculture suggested to western farmers that if they wanted to get ready cash they should feed some of their grain.

I notice he is not advocating that today. Why not? He knows that today there is pressure on the hog market and the beef market, and that perhaps prices will collapse. Already the hog market is so depressed that many farmers are receiving returns for their hogs below what is supposed to be the support price. The whole agricultural economic picture is in a state of chaos; it is a fiasco, and this government is not prepared to do anything about it.

I suggest, Mr. Speaker, that those who say higher prices for agricultural products will only mean that the consumers will pay higher prices are not correct. Fair prices, adequate prices, which mean parity to the farmer, do not mean higher prices to the consumer. May I give one specific example in respect of wheat. I have taken the trouble to make some investigations, and I find that one bushel of the higher milling grades of wheat will produce about 72·2 per cent of flour. At the

present prices for top grade wheat the farmer will get anywhere from 96 cents to $1.25 per bushel for that wheat. He will receive 1¾ to 2½ cents a pound. As soon as that wheat is made into flour the price increases to 5¾ cents a pound, and when it is made into bread it retails at 15 cents a pound. One hundred pounds of flour will make 129 loaves of bread, and at present prices they will retail at around $8.66.

Therefore, Mr. Speaker, the house can see what happens. The farmer produces the wheat, but the price he receives for that wheat has very little to do with the price the consumer pays for a loaf of bread. That is also true of canned vegetables and many other things which the farmers produce. Therefore it is not a fact that fair prices to the producer would mean higher prices to the consumer.

As I said in the early part of my remarks, the people who are handling the farmers' products, such as the packers, are receiving tremendous profits, but the farmer himself is in a depressed state. What I am suggesting, Mr. Speaker, is that the time is ripe for this government to take adequate action to underwrite a comprehensive parity price policy for all of Canada.

We have far too much urbanization in this country. Far too many people are leaving the farms, not because they could not be made economic, not because farmers are not using new techniques, or are not attempting to be as scientific in their production as any other business. They are leaving the farms because of the marketing and price situation over which they have little or no control. I am suggesting that the only authoritative body that is given the power by the people of this country is the federal government. Unless they are ready to take action, agriculture in this country will face a very blue future.

Many other countries are awakening to the fact that they must have adequate agricultural prices to meet the challenge of the day. In this country we should have policies under which we would conserve the nutritive content of the soil. We should have a policy under which a farmer could buy fertilizer and add it to the soil so that future generations would be assured of high fertility in our soil. We should have a conservation program under which a farmer could undertake those projects necessary to prevent the erosion of the soil. We have just a hit and miss policy. Under the Prairie Farm Rehabilitation Act some money has been expended, but up to the present time we have not a comprehensive national system for agriculture which meets the challenge of the day. Here is one place where we should make a beginning and establish parity prices for agriculture.

I agree with the hon. member for Dauphin. It would not necessarily mean, if such a policy were established, that we would be paying money out of the federal treasury to support the principle. Only in those times when due to outside influences the market is depressed, would it be necessary for the federal government to step in and use money from the federal treasury to guarantee a fair price to the producer which would bear some relation to the cost of production.

We have seen the prices of things which the farmer grows going down and down into the cellar, and the cost of his production going up and up. We have seen the cost of machinery and the cost of fuel and the cost of everything that goes into his production going up and up. We find that machine companies who hold either a monopoly or a semi-monopoly in that field are able to demand from the farmer the price he will pay for those goods. As a matter of fact, we all know that when the farmer goes to sell his goods he asks, "How much will you give me for this?" When he goes to buy he asks, "How much do you want for this?" Unless this government is prepared to step in and give a fair deal to agriculture we shall continue to have a depressed industry.

Therefore I hope that when the time comes to vote on this motion the government, perhaps through the Minister of Agriculture, will rise and say to the house that all members are to be allowed a free vote. I think it would be refreshing if at this time hon. members who come from the west were to rise and state the real condition of agriculture. Many of them did not do so during the debate on the farm loans bill, but I think that now this important measure is before us hon. members could, to some extent at least, say what they think concerning this important matter.

(*Translation*):

Mr. Robert Perron (Dorchester): Mr. Speaker, the amendment now before the house has to do with the problem of agriculture, certainly the most urgent and complex problem of all those facing our economy at this time. It requires immediate action on the part of the government.

The problem of wheat surpluses in western Canada has provided grounds for extended discussions since the beginning of this session. I will therefore not labour the point.

The two bills which the government has put through, and which involve an expenditure of 30 million dollars to be borne by the taxpayers of this country are sufficiently indicative to the economic status of the western farmer at this time.

While I do not wish to minimize the importance of this matter of wheat surpluses, which is such as to exert a considerable influence on our national revenue, it is certain that the personal problems of each and every farmer in Quebec, taken individually, are just as critical, if not more so.

Mr. Speaker, farm income has decreased by 5 or 10 per cent in 1955 and probably even more in areas where, for instance, hog-raising is practised. In short, it means that since 1952, i.e. for the past three years, the net farm income has decreased by 50 per cent.

After three consecutive years of set-backs, farmers have drained their savings from the years of prosperity and are now penniless; their problem is similar to that of western farmers.

Today, farmers of the province of Quebec have to keep up their farm either by mortgaging their property or by further increasing their debt to the bank, the credit union, their suppliers, merchants, and so on, instead of deriving from their farm an income that will provide them with a decent standard of living.

We hear everywhere that Canada has just had the best year in all her history. Our national income has exceeded $26 billion, and forecasts for 1956 are most optimistic. Company balance sheets show record profits. Individual income has jumped in a similar proportion. Our export and import trade reaches record figures. Production has never been so high.

On the labour front, 1955 has meant another step forward for our labour force, in that they got a guaranteed annual wage from certain industries, and everywhere the renewal of contracts under collective bargaining shows salary increases and additional fringe benefits. The government has even increased unemployment insurance benefits. In short, Mr. Speaker, living conditions seem to be getting better everywhere in this country which is going through an extraordinary development.

This is true of industry, trade and various other sectors of our economy, but it seems that in this development, agriculture has not been able to hold its own and, instead of benefiting from this general prosperity, the farmer is going through a period of depression.

[Mr. Perron.]

This, to my mind, sums up the present position. It is an alarming one. It is certainly the crucial issue at this time and it is up to the government to straighten out, by appropriate means, the economic disparity between some otherwise comparable professional groups.

The amendment moved by the hon. member for Prince Albert (Mr. Diefenbaker) is, I think, well suited to restore the balance in this field.

The government has explained the policy it means to follow to improve the lot of the western farmer; but we have as yet not been told of its intentions with regard to the eastern farmer. There was no reference to it in the speech from the throne, and for the past two months not a single word has been uttered about it by the government. When the right hon. Minister of Agriculture (Mr. Gardiner) made his statement about the estimates of his department, apart from burying us under a stack of statistics designed to prove that everything is all right—which merely shows that anything can be made out of statistics—had nothing to say about any steps the government meant to take in order to bring relief to the eastern farmer.

No problem can be solved by avoiding reference to it, or by quoting statistics to show that all goes well, when everyone agrees that things are pretty bad despite anything that may be said by all the economists and statisticians in the world.

One of the questions of particular concern to eastern farmers, since it is vital to them, is to know whether or not the government will continue its price support policy. I hope that the house will be told about this during the present debate, as this would be in perfect agreement with the amendment now before us.

It is absolutely essential that the support price of butter be maintained at 58 cents per pound for the present year and even for two years. The farmer would then know beforehand where he is going. It would alleviate his worries and the uncertainty which always confronts him. Everyone agrees that in the province of Quebec the dairy industry is the basis of agriculture. It is the one that must be saved first. There is no reason why the support price should not be kept this year at the same level since the cost of production has remained exactly the same and because, since 1949, that legislation has cost very little to Canadian taxpayers while it has, on the other hand, protected the consumer by avoiding

those price variations which are often so costly for him.

If the government does not maintain the same level, the farmers of the province of Quebec who will thus be deprived of their one and only sure source of revenue will be ruined.

I therefore urge the government to come to an immediate decision and to tell the house about it without delay.

Mr. Speaker, I stated at the outset that farm income has dropped from 5 to 10 per cent in 1955 mainly because the price of hogs, which remained at 23 cents a pound, the support price set by the government, for several months, has dropped considerably. This, in turn, brought about a decline of farm income in the district of Quebec, particularly in my riding and in the surrounding counties where hog-breeding is practised on a large scale. In fact, the price of feeds and breeding costs remained stationary while the price of pork which, last year, was 27, 28 and 29 cents a pound, was reduced by 5, 6 and even 7 cents a pound, thus depriving the farmer of the profits which he could reap from this operation.

The only way to correct this situation would seem to be an increase of 3 cents in the support price of hogs, to give the farmer a chance to make ends meet.

In connection with hog raising it must not be forgotten that it is at the government's request that farmers, during the war, invested their money in piggeries so as to obtain a new source of revenue. Nowadays, in a great many cases, this operation is no longer profitable. The only way in which it may be made so again would be an increase in the support price to 26 cents a pound.

Mr. Speaker, the amendment suggested by the hon. member for Prince Albert is such as to solve the farm problem. In fact, I will go so far as to say that it is the one and only solution to this problem.

To sum up, I would say that this amendment should be unanimously carried by the house. I feel too that the government should follow this up by adopting the following two measures.

1. Maintenance of the support price of butter at 58 cents a pound, and

2. An increase in the support price of pork from 23 to 26 cents a pound.

Mr. Speaker, the constitutional responsibility of the federal government is to solve these farm problems, and the farmer is rightfully entitled to this solution.

(Text):

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I regret very much that I could not follow the hon. member for Dorchester, but I shall read with interest tomorrow the translation of his remarks. I am sure that speaking as he has this evening he was pointing up the fact that the farmers in the area where he lives are experiencing a most difficult time.

I realize that the members from Saskatchewan have taken up a good deal of time since parliament opened, but I am sure that if there were not a real problem we would not have had such a sympathetic hearing from the chamber as we have had every time agriculture has been discussed.

This evening I propose to stress the fact that the amendment before us has been moved because of a nation-wide problem. Over the week end I was up to my old home in Bruce county, which I left some 35 years ago to go west. When I return now I find that my old neighbours are encountering the same sort of problems we have in the west, with the difference that there are very few people left in Bruce county.

A young lady sat across from me on the train Friday night, going home for the week end. It was pretty obvious that she was a school teacher, and I soon found myself in conversation with her. She told me she was teaching in Toronto, and I asked if she had any notion of going back to her home county and marrying a farmer. She replied, "Never." "Why not?" She said, "When I think of the life my mother has had on the farm, it is not for me, thank you." That young girl was probably getting twice the salary teaching in Toronto that she would get for teaching in the township where she went to school. She was wearing a nice fur coat, probably being paid for on the instalment plan, but apparently her life in Toronto was quite different from the life she had known as a girl on the farm.

Going out from Toronto I noticed that nearly every house had a T.V. aerial. While there were some out in the country, they were not as numerous as in the city. I do not want to give the impression that the people of Bruce county are facing starvation; nothing of the sort, but there are very few young people there. Those who are getting old are enjoying a fair measure of security.

I called on one of my old neighbours, who told me that she would be 90 years of age next year. She was quite proud of a new

electric sewing machine she had bought since Christmas, costing around $200. She had been moved by an appeal from the children's aid society for quilts for children, and she and her sister had made some six quilts on this new machine. Since she will be 90 years of age next year I am sure the $200 machine will last the rest of her life. The machine she had previously had been in use for nearly 50 years. The money for that new machine had come from the soil which had been cultivated by her family for nearly 100 years. There were no children on that farm. Where there used to be some 17 families enjoying a reasonably good standard of living when I was there, today there are only four families.

I was interested in reading some of the evidence produced at the time of the dominion-provincial conference a few years ago, which was descriptive of conditions in Prince Edward Island. This reads:

> —they see the citizens of other provinces grow rich at their expense; they see the best of their youth attracted to other provinces, just as they are entering the period when they might become an asset to the community. The only protest has been an occasional request for "better terms".

Of course the children of Bruce county have not gone to other provinces necessarily, but when they move to larger centres like Toronto, Windsor, London, Montreal or Vancouver they find life to be quite different from what it was on the old homestead. Those who presented this brief showed how the people of Canada as the result of tariff policies channel a great deal of wealth to the central provinces. They pointed out that the only two provinces which have benefited since confederation as the result of tariffs were Ontario and Quebec, whereas all the other provinces have had to pay a heavy penalty.

Just this afternoon in answer to one of my questions on the order paper we had an answer setting out the per capita disbursements on liquor, tobacco and education. I asked for these figures to be broken down on a provincial basis, but I am told that the information regarding tobacco and liquor is not kept on a provincial basis. I find that we seem to have spent very freely as far as tobacco disbursements are concerned, because the per capita expenditure was $31.26, while the per capita expenditure on liquor was $56.92, and for education, $40.26.

But when you consider the per capita expenditure for education in the different provinces you find that in the case of Prince Edward Island, which my grandparents on my mother's side left about 100 years ago because of difficult conditions, this per capita expenditure was only $20.34 as compared with the high in British Columbia of $55.50. Newfoundland was only $21.46, with Alberta next to British Columbia with $48.87.

I think it could easily be argued that it should be a matter of national concern when farm people in a fine province like Prince Edward Island are getting such a small share of the national income that they have available for education only $20.34 per capita as compared with $42.41 in Ontario, $55.50 in British Columbia, and $42.73 in Saskatchewan.

If the farmers of our provinces are to continue to receive a smaller and smaller share of the national income it will be most difficult for us to maintain the educational standard that we think children in a modern society should have.

Having demonstrated during the war that we could plan our production and our economic life so as to have a million of our youngest and ablest people in the armed services and another million in war industries, and still increase our production of foodstuffs so that we were able to drink more milk and eat more beef and pork, it seems to me there is something radically wrong when in 1955 and 1956 we have to cut down the consumption of milk by the children of Canada.

Mr. Byrne: How does liquor consumption compare for those years?

Mr. Nicholson: Liquor consumption is going up, as I indicated; but as part of our national policy it was decided during the war that the production of milk should be encouraged by support prices, and we found that as a result of the subsidies milk production and consumption increased. During the period from 1940 to 1945 we consumed 445 pounds per person per year compared with 420 pounds in 1951, the last year for which I have statistics. There was a drop from 445 to 420. We find that the consumption of other products that are essential for a healthy people is not increasing as it should.

I realize there are many people who are disturbed about the suggestion of providing subsidies. Canadian farmers in all parts of the country are proud people. They do not want something for nothing. Nevertheless I have never heard very many protests about having subsidies in the form of tariffs. As the Prince Edward Island brief points out, every person in that province has suffered a net loss of $17.88 per year because of tariffs, the people of Nova Scotia have lost $12.28, and the people in the province of Saskatchewan have lost $28.16. As a result of the penalty that people have paid because of tariffs,

I think during the transitional period the government of this country certainly might accept the principle that those who are producing food should have something like a fair share of the national income.

I was interested to note that the hon. member for Brant-Haldimand did not spend very much time this afternoon discussing conditions in Canada during the thirties. He could have said quite correctly that in 1954 the farm share of the national income was a lower percentage of the total national income than was the case during the whole period of the thirties. It is true that in 1931 and 1932 the farmers' share was less than it was last year, but if we take the whole ten years between 1930 and 1940 the farmers received an average of 6·1 per cent of the national income for the 20 per cent of the population composed of farm families, compared with 5·6 per cent last year.

That presents a very serious situation for the people of the country. While the farmer's share is going down, while he is tightening his belt, he is able to read in the daily papers very impressive advertisements. Here is a large advertisement taken from the *Globe and Mail*. It points out that for the second straight year the forward-look Plymouth shattered Toronto sales records, and that sales in January, 1956, were up 298 per cent over January, 1954. A similar advertisement taken from a Montreal paper points out that in January, 1956, Plymouth sales were five times as great as in January, 1954.

While the farmers are being caught in a price squeeze and are unable to meet their costs with the lower prices they are receiving for beef, pork and other products, when they go to buy they are paying higher and higher prices. Therefore when the farmers read about all-time high sales and the very high profits being made by corporations, it is very hard for them to understand why the government of the country cannot do something about it.

After the Minister of Agriculture and the Minister of Trade and Commerce told us that the farmers of Canada were enjoying an unusually prosperous period, I took the trouble to send a circular letter to some of the people in my constituency to find out whether I was wrong in my opinion or whether the Minister of Agriculture and the Minister of Trade and Commerce were wrong.

I am going to read a few extracts from two or three of the letters I received in reply. Here is one from a man who says that he has farmed as a law-abiding citizen for 32 years, that up until five years ago he had done well but then he started to go behind. He says that he owes three years' taxes, $364 for seed grain, $780 to the bank and store bills.

Another farmer tells a very similar story. Another farmer has gone to British Columbia for the winter to get enough money to see him through. Another man has gone to Vancouver island. Here is a farmer who has been exceptionally industrious and a good citizen, the sort of citizen any community would welcome. I am sure he has never spent five cents on liquor or tobacco during his lifetime. He has been industrious and a good manager. He points out that he owes the bank $2,500, owes $500 in taxes and needs a new tractor and other machines, repairs to his buildings and a great many other things which he knows he should have but because of receiving less than fair prices for his products and because operating expenses are so high he is unable to go into the market to buy the articles the production of which provides employment for many people in eastern Canada.

I find that the Searle Grain Company has sent us two interesting letters, one dealing with the subsidization of wheat and the other with the challenge that Russia presents to the world. One would not expect the Searle Grain Company to advocate subsidies publicly, but they say we must recognize the fact that we are living in a very strange world. Many countries which normally import are subsidizing exports, and other countries which could buy their grains much cheaper in the world market than they can produce them at home are paying large subsidies. It is quite obvious that the Canadian farmer cannot survive in a world where farmers in every other country have support prices.

Ours is one of the few countries that has not tied the production of foodstuffs to the defence program. The Minister of National Defence is never asked any question about whether he wants $1 million, $50 million or $500 million. The Minister of Trade and Commerce said once that if his colleague in defence wanted a gold plated piano he got a gold plated piano. But when it comes to producing food for the sake of our own economy and to meet the competition of other countries, our government has not been willing to give the consideration that it should to this problem.

The Searle Grain Company points out what has not been given too much attention in Canada, that Russia is now making an all-out drive to challenge the west in the field of economic support. It mentions that before world war I Russia was a major exporter and that in 1954 Russia brought under cultivation—

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

Mr. Nicholson: Certainly.

Mr. Trainor: Are you suggesting that we should emulate Russia?

Mr. Nicholson: No, I was not making any such suggestion. I was merely drawing the attention of the house to the report on Russia in the Searle Grain Company letter, which the hon. member should read.

Mr. Trainor: I have read it.

Mr. Nicholson: I think the hon. member will admit that if Russia is going to have 27 million more acres in production than it had previously, compared with our total acreage of 22 million, it poses quite a problem for Canada. While at the moment Russia is prepared to buy some grain from Canada, the bringing in of this large acreage in order to seed it to wheat and other cereals is going to present a problem to Canada as we seek to export our product and when we find that our product is not being subsidized whereas France, Belgium, Holland, Denmark and Britain—all our former customers—are subsidizing on an extremely generous basis.

For example France, which formerly was an importer, has found that this policy of subsidizing has not only solved her production problem, the problem of supplying the market at home, but they have produced so much more than they can use that last year France gave Australia a close run for exports in the world markets. Every bushel of wheat that went into export from France carried with it a subsidy of $1.61 a bushel. Hence I do not think there is any use of people in Canada ignoring the fact that we are living in a new set of circumstances where those who are engaged in the production of food are entitled to leadership from the government.

It takes about two years for people to get to qualify for relief in the cities. If the government of Canada thinks that people should deplete the rural communities to a greater extent and should qualify for relief in the cities if they cannot get jobs, I think the government should say so. Here is a debate that has been going on since three o'clock this afternoon, and there has not been a member rise on the government side of the house to indicate whether or not there is any problem in the part of Canada in which he lives, or whether the only people who see the problems are those of us who sit over on this side of the house.

Mr. Bennett: You make your speech; we will make ours.

Mr. Nicholson: I think it is significant that no one is prepared to say a word in defence of what the government is doing or should be doing. Before the debate ends I think somebody on the government side should certainly say something about it.

Mr. Byrne: It is your amendment, not ours.

Mr. Nicholson: I think there are two important fields that should be explored. We have a large section of our Canadian citizens who are not getting enough food to eat. Over the week end I read with interest a little booklet written by a young reporter for the Toronto *Daily Star* who spent 14 days trying to live as an old age pensioner would live on $20. I am sure that any hon. member who placed himself in the position of this young reporter would realize, with these large surpluses on hand, how niggardly we are with this large sector of the economy, and would want to see that ways and means were found so that some of our surplus food supplies would find their way into the stomachs of our old age pensioners, widows and orphans and all those who are in the lower income tax brackets.

Then I think we must pay some attention to our international responsibilities. Some 10 years ago Canada, along with a great many other countries, joined in tackling the problem of hunger. When we consider that at least half the people of the world must get by on about $100 per person per year, compared with nearly 10 times that amount in Canada, we realize that we should not be cutting down our production or worrying about this surplus. I have here, in "Agricultural Markets and Prices" at page 51, a table which is taken from one of the United Nations publications showing the per capita income in United States dollars for a number of countries, as follows:

Per Capita National Income

Country	Per Capita Income (In U.S. dollars)
Burma	36
India	57
Pakistan	51
Philippines	44
Thailand	36
Columbia	132
Chile	188
Brazil	112
Egypt	100
Canada	870
U.S.A.	1,453

The Canadian figure would be up a good deal since those figures were prepared, but any way you figure them out, I think we cannot remain idly by in this rich, enlightened country, with almost unlimited productive capacity, while there are so many people in the world who have never had even one good meal. I commend the suggestions made by my colleagues who have spoken previously that we continue to produce maximum quantities of foodstuffs for our own use and for the use of our neighbours in all parts of the world, and that we have for agricultural

products a price which will bear some fair relation to the prices which we have to pay for what we buy.

One of my constituents in a letter he wrote to me emphasized the fact that his conditions now are actually worse than they were in the dirty thirties, as he described them. He said that in those days he was using horses and was able to produce his own food, but that in these modern days the horse has gone and he is obliged to pay cash for his fuel and for repairs for his tractors. With dollars so hard to get and expenses so extremely high, he and his neighbours are in a much more difficult position.

Again I think the government of Canada, which had no problem whatever during the war years in finding ways and means to finance an effective war effort, can find all the resources necessary to assure to the 20 per cent of the Canadian people who are making their contribution to the economy of Canada in connection with the production of food a fair share, nothing more and nothing less.

Mr. H. O. White (Middlesex East): Mr. Speaker, in rising to support the amendment moved by the hon. member for Prince Albert, I do so for several reasons. No doubt many of those who have taken part in the debate thus far have, by contact with their constituencies and by reference to the dominion bureau of statistics and to speeches by other members, become aware of the plight in which agriculture finds itself today. I take part in this debate because of the fact that statistics show that farmers are receiving less and less of the total amount of money that is taken in by all the people in the economy, and that they are getting less and less of the national income, 19 per cent of the people receiving about 10 or 11 per cent of the national income.

They are also getting less and less of the consumer's dollar. Of every dollar the consumer pays for food, less and less finds its way back to the primary producer of that particular article, whether it be beef, bacon, strawberries or any other thing you want to mention. Net farm income has shown a steady decline over the past few years.

During this session the Minister of Trade and Commerce and the Minister of Agriculture have explained to the Canadian people through parliament that the farmers are fairly well to do, and that over the years some thousands of millions of dollars have been taken in by the Canadian farmers.

These figures on income, of course, do not mean very much unless you know what are the costs. I do not propose tonight to discuss this from a high windy hill. I am going to take you down to the farm, just as I went to the farms last week end when I was home. I talked to some of the farmers there and I shall tell you what they are saying and what they are doing. When one reduces the subject to this basis, one finds out whether or not the farmers are making a lot of money and just what conditions are.

I find that there are more municipal taxes unpaid this year than for many years. I find also that those co-operatives serving farmers that do extend credit to their members have more unpaid bills and bigger bills than they have had for many years. I talked to these people last Saturday when I was home.

What has brought about these conditions? Not so many years ago we were warning the government that the loss of the British markets and the loss of other export markets would eventually be reflected in the Canadian economy. Such is the case, and it has now caught up with us. We listened to the debates on the wheat surplus in the Canadian west for about three weeks. We can look back and find that not so many years ago we were able to export over 600 million pounds of bacon and 147 million pounds of cheese to Britain in one year, as well as supply our own markets. Is it any wonder then that today, when we are barely supplying our home markets with these products, much less feed grain is being used by eastern farmers to finish livestock and produce cheese, bacon and many other products? This is having an effect not only on the income of the eastern farmers but on the western producer, because we are not buying such large quantities of coarse grains and low grade feed wheat for livestock purposes.

We are finding ourselves in this difficult position also because of inflation, as I have mentioned time and time again. We are living in a world where dollars are plentiful but they do not buy very much. We find ourselves in this position also, Mr. Speaker, because of the United States farm surplus disposal programs. In many cases the United States is usurping our traditional markets for surplus farm products.

While these events are taking place, there are a certain number of people who are more or less apologists for the policy or lack of policy, shall I say, of the government. I am just going to mention a couple of them. There is the president of the Canadian Federation of Agriculture. We find the farmers' union coming into Ontario; and they are getting a foothold in Ontario because farmers believe the federation of agriculture has not been

dynamic enough in supporting an agricultural program for this country. Then the president of the dairy farmers of Canada is saying, "Do not antagonize the government; be careful, and everything will turn out all right." That has been going on for quite a number of years.

Early in this session the Minister of Trade and Commerce said, "We are a party that believes in plenty; we believe in surpluses." Almost in the same breath he said there would be shortages of copper, shortages of steel, shortages of cement and many other things. The only thing of which he was proud was that there were surpluses of farm products. I can tell you that at the time Canadian farmers in southwestern Ontario were harvesting their onions, two carloads of onions were brought into this country from Egypt for no other purpose but to break the price.

I believe that is a rather shortsighted policy. We hear about surpluses in almost all farm products. This year there was supposed to have been a big crop of apples. As I go along the north shore of lake Ontario week after week I go through some of the best apple orchard areas in Ontario, and I am surprised at the number of orchards that have deteriorated in the past 10 years. I could say the same thing of my own county. I wonder sometimes if these surpluses are just fictitious, because when they are saying how many millions of bushels of apples may be produced as compared with five years ago or 10 years ago, they do not take into consideration that our population has been growing by leaps and bounds.

Take a look at the potato business. When we did have a crop of potatoes in this country there were 7,000 carloads of potatoes brought in from the United States; and the tariff is rather one-sided in favour of the United States. We have surpluses in many other products and will have when the products are imported like that.

I want to show you, if I can, just what is happening to those farmers to whom I was talking. I was talking to some of the concentrated milk producers, and they are not happy. Recently they have taken a cut of 10 cents per hundredweight in the price of their milk, from $2.65 to $2.55 per hundred for 3·5 milk. I was talking to one producer who last year produced 700,000 pounds of milk from over 100 cows on 300 acres of land. He is an efficient producer and has cost accounting facilities. He said that the milk cost him a little over $3 per hundred and it is now selling, as I say, at $2.55. At the same time powdered milk and cheese are being imported from New Zealand so there will be dollars available with which New Zealand can buy Canadian manufactured products. This is sacrificing the agriculture industry to the manufacturing industry.

If anyone wonders why agriculture is sacrificed, I can tell him in a very few words. It is because for the last 20 years the government has booted around the agricultural industry; and then every four years when there has been an election, agriculture voted for the government. Agriculture is the only segment of our economy that can be treated that way and still support the government.

Coming back to the price of milk for a moment, I may say that in Ontario there is what is known as the dairy herd improvement plan. A survey of many of the dairy herds in the province was undertaken, and it was supervised by some of the experts from the college. This survey dealt with cost accounting and dairy farming. They found that the average cost of production for a large number of herds in the province of Ontario was $3.17 per 100 pounds of milk. Neither the cheese producers, the butter producers nor the concentrated milk producers were getting much over $2.50 for that very same milk.

Let us take a look at what the butter producer is actually getting. From 100 pounds of 3·5 milk an average of 4·2 pounds of butter will be produced, which sells at 58 cents a pound. That comes to $2.32. If the skim milk is manufactured into powder the skim milk powder is worth 11 cents a pound, which adds 88 cents to the $2.32. From that he must deduct the cost of manufacturing which he pays to his co-operative creamery, and that varies from 85 cents to $1.00. Therefore the farmer receives $2.30 for his 100 pounds of milk that costs him, according to all figures that can be produced, at least $3.00 or $3.17.

Another indication of the trend of the times is the fact that many young men who in the last five years purchased farms are finding it very difficult to meet their taxes and interest on their debt. In many instances the farm is deteriorating; in some instances they have given up, sold out and gone to town. That is not a healthy situation. I grant you that on the other hand there are many people who have bought farms and paid for them, but they have paid for them through the work of two or three people in their family besides their wives and themselves. They have paid for them because they have accepted a very low standard of living in order to pay for the home and the farm.

Let us take a look at the sheep industry. Recently the Minister of Agriculture made some announcement about a disease known as scrapie that has appeared recently in some of the flocks in this country. If they did not know of the seriousness of the disease, they should have known of it. Two years ago in Canada a certain flock was quarantined and none of the sheep could be exported to the United States. At the same time the breeder of those sheep was allowed to exhibit his flock at the royal winter fair. The Canadian people were told it was perfectly safe; it was a nervous disease, and they did not need to worry about it too much. That flock has been destroyed after its breeding stock has been scattered all over the country. I do not think there is one thing that has happened to the sheep industry in the last 100 years that could be as serious as this outbreak of scrapie which the government muffed and blundered through. It could ruin the export market for breeding stock as far as the sheep industry in Canada is concerned.

At very nearly the same time the production of wool in Canada reached an all-time low. This has happened to the sheep industry in Canada in the last few years. This careless attitude is indicative of the approach the government takes to farm problems. They do not require the Canadian manufacturers to indicate on their finished product whether the wool is shoddy, whether it has been used once or ten times over until it has lost all its life, or whether it is new wool that has just been clipped from the sheep. You can talk about grading. The wool is graded many times from the producer to the manufacturer, but once it reaches the manufacturer it is never graded again.

What about the cattleman? Last fall he could purchase cattle for 18 cents, 19 cents or 20 cents a pound. Today they are about 4 cents a pound less than they were last fall when he purchased them. After feeding them all the crops he grew on his farm he will not make too much money this year.

Take a look at the hog producer. I talked to some of them when I was home last week. Figures indicate that the over-all livestock population is increasing in this country. As far as the future markets are concerned, conditions indicate that there will still be a surplus. What about the hog producer? Many hog producers buy the young baby pigs when they are weaned, when they weigh an average of about 30 pounds. Let us say that the farmer who purchases them can buy them for $8. Some of them sold for as much as $12 or $15 last year, but let us say that the farmer could buy them for $8, which would be cheaper than if he raised them. He starts out with a pig that has cost him $8. If he buys all his feed, which sometimes happens, he finds that it takes about 700 pounds of chop to finish a 30-pound weanling pig until it weighs 200 or 210 pounds. The total cost of the feed, plus the young pig, will run to at least $32.50. When he sells the hog it is sold on a dressed weight basis. A 210 pound hog will dress out at from 160 to 165 pounds. I looked over the purchases today, and I found that 161 pounds was the average dressed weight of that type of hog. If he sells it at the floor of 23 cents—I heard my friends to the left say that out west they are not getting that—it will bring him $37.03, or $4.53 per hog net. If my farmer back home wants to have an income of $2,817 next year he will have to feed and finish two hogs every working day of the year, 313 days. He will have to work 365 days. But that does not take care of taxes, interest on the investment or depreciation; and no pigs must die, not one. Therefore it does not look as if it is a very lucrative branch of the farming business.

If he should have his own grain and feed it his labour return per hog might be about $7, but that will not take care of interest, taxes or depreciation, and there will be no provision for any extra labour that he might wish to hire. I took the trouble to call up the federal Department of Agriculture and to speak to one of their swine experts. I asked how much feed it took to finish a hog. He said, "It takes 400 pounds of feed for 100 pounds of gain". The 700 pounds I have given is 20 pounds less than the federal Department of Agriculture figure as the average for this country. If he had some pigs that were not thrifty, or if he was not too good a feeder, he would likely have a loss. I venture to say that many of the farmers who are producing hogs are not making $4.53, or the $7 I have quoted, but probably more nearly $1 or $2.

Some say the farmers are not efficient. I have before me some figures taken from an exhibit sponsored by the Ontario department of agriculture at the 1954 royal agricultural winter fair. These figures point out that never in Canada's history has one hour's labour on the part of an urban Canadian purchased so much food. I will give you a few comparisons. In 1924 an hour's labour would buy 20 pounds of potatoes; in 1954 it would purchase 37 pounds, almost twice as much. In 1924 an hour's labour would purchase 1¼ dozen eggs; today it will purchase 2·6 dozen eggs, over twice as much. In 1924 an hour's labour would purchase 2·8 pounds of beef; today it will purchase 3·2 pounds. In 1924 an hour's labour would purchase 1·6 pounds of pork; today it will purchase 2 pounds. In 1924 an hour's labour would purchase 1·1 pound of butter; today it will

purchase 2·5 pounds. In 1924 an hour's labour would purchase 3·8 quarts of milk; today it will purchase 7·3 quarts of milk.

I said something about farm efficiency. The number of farmers has decreased by 35 per cent over this period of 30 years, but at the same time the production by 35 per cent fewer farmers has increased by over 25 per cent in the years between 1935 and 1954 alone, to say nothing of the increase over the preceding years.

Farm production per man in Canada is up 70 per cent. I do not know how much more efficient the government or the Minister of Agriculture wants farmers to be, but I think—

Mr. Gardiner: I think they are probably the most efficient people in the country at this time.

Mr. White (Middlesex East): I agree with you; in many respects they are. What reward are they getting for their efficiency? The more efficient they are and the more they produce, the less they receive. I sometimes wonder if it would not be a good idea for the farmers to sit back for about two weeks and not buy anything. We would see how soon people would begin to realize that the farmers' prosperity is also their prosperity.

I was going to refer to an article concerning the cost of producing hogs, but it was written at a time when pork was 28 cents a pound and it does not apply today very well. However, even when pork was 28 cents a pound, according to figures produced at that time by a butcher in the city of Toronto it was his claim that the farmers were making only $1 a hog and he was making a 23 per cent gain just by selling pork over the counter.

I did say something about onions being imported into this country. I wish to read from an article which appeared in the London *Free Press* on January 17, 1956. Mr. J. E. Reynolds, president of the Ontario fruit and vegetable growers' association, had this to say:

> For instance, a boatload of Egyptian onions—

I believe I previously referred to a carload of onions. That was a mistake; I should have said a boatload.

> —arrived in Montreal while the biggest crop of Ontario Sett onions in history was being harvested.
>
> Other examples: 22 freight cars of potatoes were imported each day during June, July and August; 5,000,000 pounds of cabbage were imported in June, and 9,000,000 pounds of tomatoes entered the country during July, while local produce was left on the vines.

When we complain about this the government tells us it does not want to offend our neighbours to the south. There is a difference between being ignored by our neighbours to the south and having them respect us. They will respect us more if we stand up for our rights instead of saying that we are afraid and we do not want to offend them.

In conclusion I wish to point out that a bill was passed in the legislature of the state of Maryland to prohibit foreign companies establishing themselves in Maryland. Our government say that protesting about such things as I have mentioned might hurt our good relations, but they are going to proceed to enact that bill all right; they do not care how much they offend us. The Lord looks after those who look after themselves, and I think it is about time we Canadian farmers and the government as representatives of the people began to do some of those things as well.

I am glad to support the resolution moved by the hon. member for Prince Albert and the amendment moved by the C.C.F. party.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, while New Brunswick is not one of the great agricultural areas of this country nevertheless it is an important industry in the province. In fact, considering its importance and some of the special aspects of it, I believe that the farmers of New Brunswick and of eastern Canada are more severely crushed by the price-cost squeeze than are those in other sections of the country. Quite a large proportion of the farmers in New Brunswick may be classified as mixed farmers, although a certain number, chiefly in my own constituency, might be classified as specialty farmers who specialize in potatoes. I might have something to say about potato farming before I conclude.

Farming is an important subject to the province of New Brunswick; and while I am not a practical farmer, and it has been a long time since I had anything to do with practical farming, I must admit I was fairly well trained in it when I was young. According to the standards of farming at that time I do realize what farm work is like, and I am aware of the length of the working day and of some of the problems involved in farming.

It strikes me as strange when we are told that 1955 was one of the high spots in the prosperity of this country. We are told that in 1955 Canada produced more, exported more and consumed more goods and received more money than in any other year in our history, generally speaking. Nevertheless the farmers with whom I come in contact appear to be poorer, are having a more difficult time to pay their bills, and have less money in their pockets than they have had for a number of years. I can only speak

with some assurance of the people of my own constituency, and of course from what I read in reports about agriculture generally across the country.

Having listened to many speakers this afternoon who are practical farmers, and knowing what little I do about the situation in my own constituency and province, I am certainly in favour of the principle of this resolution. I feel that I would be remiss in my duty as a member if I did not stand up and more or less put myself on record as to the way I think farmers should be treated.

It seems to me there is only one conclusion one can come to in connection with the agricultural industry as a whole, and that is that the farmer is not getting a fair share of the consumer's dollar. That has been stated this afternoon in various ways, but regardless of how it is stated I believe that is what the farmer actually wants. He wants more of the consumer's dollar for the stuff he is producing. The spread between what the farmer gets for the products he raises, and which represent long hours of labour and large investment, and his costs is growing less and less. The percentages have been given and there is no need of my repeating them, but certainly the farmers' prosperity is not keeping up with the prosperity of other groups in the community, in the province or in the country.

Is there a solution? I listened to and read the speech of the right hon. Minister of Agriculture delivered on February 10 last. Apparently the minister had gone to great pains to work out a table of figures which he placed on the record. While there was no proof, there was certainly an inference in those figures that the farmers' cash and net income have increased for the last 20 years. I would not take issue with the minister on that. The minister is a most astute gentleman and clever speaker. He made a most significant statement toward the end of his speech. Having placed the table on the record, having reviewed the figures, he said words to this effect: Add all the facts together and you will get some idea whether the farmer is advancing or whether he is going backward in connection with his operations up to the present time. That was for a period of some 20 years.

I reread that statement. It is a wide open statement. It is one in which you can read an expressed opinion. The right hon. minister has expressed the opinion, or has plainly left the inference, that the farmers of this country are far better off than they were 20 years ago, that they are a going concern, and that most of these complaints by farm and agricultural organizations are more or less unfounded, that they are a group of people who cannot be satisfied.

I am sure that if some city dweller, or someone who knew nothing of the farmer's problems, had been sitting in the gallery and had heard that speech, or had read it later, he would have got the feeling that the group of people engaged in agriculture in this country, farmers if you will, are possibly the best off people in Canada. I think they could honestly come to that conclusion after having studied that speech.

On the other hand, when you talk to farmers or to farm groups and hear them tell their story, you find that the picture is not so prosperous. It is a gloomy picture. At least 65 per cent of the people in my constituency are agriculturists, and the majority of the rest depends upon the farmers. Figures, statistics and net worth statements may not give a gloomy picture, but when I go out and talk to the farmer, when I look over his equipment, when I follow him from the time he starts out in the morning at five or six o'clock until he quits at night, I do not get that picture. As someone has said, the municipal authorities, the local merchants and the bankers do not give you that picture. You get a much gloomier picture than might be taken from the speech of the right hon. minister.

Toward the end of his speech the minister said in effect that the way any man found out how wealthy he was, whether he was better off than he used to be, is to put his hand in his pocket and find some money there. I should like the right hon. minister to go down to my constituency, talk to the farmers and find out how many of them have money in their pockets or can afford to go to town, take a trip or have a little pleasure. They have not the money to do it.

When you get right down to earth and go around the country and see buildings in need of repair, see vacant farms, see farms growing up in bush, see schoolhouses vacant, you get a much different picture. I was brought up in a country community. I went to a school where there were some 40 or 50 students, but today there are only 14 or 15 in that little school. A certain percentage are drained off at seven years of age to the central school, but the reason for the small number is that many of the farms which supported happy and fairly prosperous farmers in those days, people who were able to make a living, who were able to pay their bills, who lived as well as their neighbours did, have no one living on them today.

It was a friendly society. As a matter of fact, I still think a country community is

one of the best places to live. The farmers are located within 50 or 60 rods of one another in a community extending for miles. But the picture today has changed. You ask why has it changed? That is a fair question. I am not here to give the answer, but I can give my opinion based on what I hear. I do not believe that 6 per cent of the young men who have grown up within a radius of 20 miles of the home where I was raised have remained on the farms and carried on the family tradition. Why? Invariably the story is that they go and work at any other job.

Unfortunately they may leave New Brunswick, as a great many of them have done. They go to central Canada, western Canada or the United States and work at ordinary labour or go into business. It seems that almost anything is more attractive to them and more remunerative than farm life, although in my opinion it would have been a good thing for them to stick with the farm.

Many of the farms in my community that are still occupied are worked by older people, and time is running out on them. They are not working their farms very much. They are not able to do so any more. They cannot hire help to farm them, and their farms are deteriorating. It is a sad picture. Nevertheless I believe our people, if they can make as much money and have as good a life, are just as anxious to farm as the people of any other country. In a few cases people in my community have been fortunate, possibly in the potato industry. They were able to accumulate 300 or 400 acres of land, and if they were fortunate enough to have a few fairly good years there is the possibility that they can carry over a bad period. But in the last few years the bad periods have been coming so close together that even these people are beginning to come to the end of their rope, so to speak. The savings they were able to make are being used in order to carry on.

I do not think one needs to labour this problem very much. I feel this way about it. If I were capable of giving the government advice there would not be much use of my doing so, because I think I would be wasting my time in imposing my ideas on the house and the Minister of Agriculture. If the government has not been convinced by those hon. members who have spoken today that something has to be done for agriculture; if the members of the government have not been convinced in their travels throughout the country, or if they are convinced that something should be done and do not know what to do, then I think they should be prepared to accept some advice. I think they should give it a try.

Here is the other side of the picture. I believe it has been mentioned before, but I do not think I would be out of order in referring to it. In my constituency we have a very fine agricultural school. If there is any place in the whole province of New Brunswick where young people can be induced to go into farming it is in my constituency. Any young fellow who has any interest in cattle or stock of any kind, potatoes, mixed crops or grains of any kind has a grand opportunity to get a start. But our experience has been that a great many of these young men having taken two or three courses—the courses run through the winter—do not find it profitable to go back home and put into effect the ideas they have been taught. The smarter they are and the better farmers they would make, the greater the chance is that they will not stay in New Brunswick, and they do not even go to western Canada to take up agriculture.

In other words a fundamental industry, an industry which is very important to this country so far as the production of food is concerned, is losing a great many young men who I am sure would like to stay on the farms and improve our agricultural lands, who are the very persons who would improve the raising, grading and marketing of products because of their education. They are not staying on the farms. It is not that they do not want to but because it is not profitable for them to do so.

For that reason it seems to me that the resolution, if we think about it, does throw some light on the problem. The principle of the resolution indicates to our farmers that we consider they are entitled, in view of the number of hours they work and the risk they take in capital investment, to a fair return for their products and their labour. They are entitled at least to a square deal compared with people employed in other industries, whether in New Brunswick, any other part of the maritimes, or any other part of Canada. They are entitled to an equal deal with the people who are employed in other industries. I believe that legislation such as is envisaged by the amendment could be passed and that, properly administered, it could and would be of great benefit to the farmers.

On motion of Mr. Montgomery the debate was adjourned.

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

ANSWERS TO QUESTIONS

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

LOANS, CANADIAN FARM LOAN ACT, NOVA SCOTIA

Question No. 142—**Mr. Purdy:**

In the province of Nova Scotia, by counties, for the year ending December 31, 1955, what were the number and amounts of (a) applications for loans under the Canadian Farm Loan Act; (b) loans granted; (c) loans refused; (d) applications still under review?

Answer by: **Mr. Harris:**

The Canadian farm loan board advises as follows:

The Canadian farm loan board does not require for administration purposes and therefore does not maintain records classifying applications and loans by counties.

In the period January 1, 1955 to December 31, 1955:

	Number	Amount
(a)	70	$255,340
(b)	40	$133,200
(c)	30	$115,675
(d)	nil	

CENTRAL MORTGAGE AND HOUSING—LOANS IN B.C.

Question No. 208—**Mr. Goode:**

1. What amounts of federal funds were invested by loan in the province of British Columbia by Central Mortgage and Housing Corporation for housing construction, in 1953-54 and 1954-55?
2. What amount is estimated for 1955-56?

Answer by: **Mr. Winters:**

1. 1953, $5,643,000; 1954, $2,282,000; 1955, $1,933,000.

2. 1956, $1,025,000.

Central Mortgage and Housing Corporation operate on a calendar year basis.

HOSPITAL GRANTS, NOVA SCOTIA

Question No. 212—**Mr. Balcom:**

What money grants, under the national health program, have been given in Nova Scotia during 1955, to the special types of hospitals as designated by the Department of National Health and Welfare as (a) mental hospitals (M); (b) t.b. sanatoria (T.B.); (c) chronic convalescent (C); (d) new hospitals (N); (e) hospital additions (A); (f) nurses' residences (N.R.)?

Answer by: **Mr. Martin:**

During the fiscal year 1955-56:

(a) Addition to mental hospitals—Halifax county mental hospital, $91,250.01; Cape Breton county hospital, Sydney River, $127,500.00.

(b) Nil.

(c) Nil.

(d) New polio clinic—provincial polio clinic, Halifax, $5,443.04.

(e) Addition to active treatment hospitals—Blanchard Fraser memorial hospital, Kentville, $5,250.00; Grace maternity hospital, Halifax, $21,250.00.

(f) New nurses' residence—Victoria general hospital, Halifax, $24,332.66.

PER CAPITA STATISTICS—TOBACCO, ALCOHOL AND EDUCATION

Question No. 231—**Mr. Nicholson:**

What were the disbursements on a per capita basis, in the last year for which statistics are available, in Canada and each of the provinces, for the following: (a) tobacco; (b) alcoholic beverages; (c) education?

Answer by: **Mr. Howe (Port Arthur):**

(a) Estimated total consumer expenditure on tobacco in Canada in 1954, $475·0 million; per capita, $31.26; provincial breakdown not available.

(b) Estimated total consumer expenditure on alcoholic beverages in Canada in 1954, $865·0 million; per capita, $56.92; provincial breakdown not available.

(c) Expenditure on formal education* in Canada in 1952, $581 million; per capita—Canada, $40.26; Newfoundland, $21.46; Prince Edward Island, $20.34; New Brunswick, $35.18; Nova Scotia, $32.24; Quebec, $34.87; Ontario, $42.41; Manitoba, $37.37; Saskatchewan, $42.73; Alberta, $48.87; British Columbia, $55.50; Yukon and N.W.T., $20.44; unallocated, 27 cents.

* Includes operating costs, capital expenditures from current revenue and debt charges (principal and interest) but excludes capital expenditure from borrowed funds, the cost of which is spread over future years. All levels of education both public and private are included. Training and cultural and other related activities are not included. A preliminary estimate places the comparable total for 1955 at around $750 million.

TRANS-CANADA HIGHWAY, BANFF PARK

Question No. 236—**Mr. Harkness:**

1. What work will be done during the coming construction season in the Banff national park on the trans-Canada highway west of Banff?
2. What bids have already been called for this work?
3. What are the names of the bidders and what were the amounts of their bids?
4. To whom were the contracts awarded, and what was the amount of each contract?

Answer by: **Mr. Winters:**

1. (a) The department expects to complete work on the following contracts which are in progress. All mileages are measured from the east gate of Banff national park. The first contract west of Banff is at mileage 10·8.

Questions

Serial	Contract Details	Awarded to	Date	Amount
1.	Mile 10·8 to Mile 14·2—grading and provision of culverts and base course.	Poole Engineering Co., Ltd.....	Aug. 30, 1955	$1,282,040.00
2.	Mile 14·2 to Mile 21—grading and provision of culverts and base course.	Square M Construction Co., Ltd., Edmonton.	Sept. 8, 1955	1,177,630.00

(b) The department expects to commence work on the following contracts:

3.	Mile 21 to Mile 31—grading and provision of culverts and base course.	Tenders received (Contract not yet awarded).		
4.	Mile 43·3 to Mile 51·1—grading and provision of culverts and base course.	Standard Gravel and Surfacing of Canada Ltd.	Feb. 22, 1956	2,074,440.00
5.	Mile 0 to Mile 14·2—construction of bituminous stabilized base course.	Tenders not yet called.		
6.	Construction of 5 small reinforced concrete rigid frame bridges between Mile 13 to Mile 40.	Tenders received (Contract not yet awarded).		
7.	Construction of a bridge and overpass over the Bow river and C.P.R. at Mile 14·3.	Tenders called—not yet received.		

(c) The following work is planned, provided funds become available:

8. Bridge over the Bow river Mile 43·3.
9. Overpass to C.P.R. at Mile 43·5.
10. Bridge over Pipestone creek Mile 45·6.
11. Bridge over Bow river Mile 47·3.
12. Overpass to C.P.R. Mile 48·2.
13. Bridge over Bath creek Mile 50·3.
14. Overpass to C.P.R. Mile 50·6.

2. Tenders have been called for contracts referred to in answer No. 1—(Serials 1, 2, 3, 4, 6 and 7).

3.

Serial	Contract Details	Tenderers	Amount of Tender
1.	Mile 10·8 to Mile 14·2—grading and provision of culverts and base course.	Poole Engineering Co. Ltd.....	$1,282,040.00
		Standard Gravel & Surfacing of Canada Ltd.	1,396,322.00
		Mannix Limited.....	1,499,608.00
		Jamieson Construction Co., Ltd.....	1,723,900.00
2.	Mile 14·2 to Mile 21, grading and provision of culverts and base course.	Square M Construction Ltd.....	1,177,630.00
		Assiniboia Construction Co., Ltd.....	1,243,950.00
		Standard Gravel & Surfacing of Canada Ltd.....	1,270,140.00
		New West Construction Co. Limited.....	1,295,380.00
		Mannix Limited.....	1,323,235.00
		W. C. Wells Construction Co. Limited.....	1,380,000.00
		Poole Engineering Co. Ltd.....	1,548,970.00
		Marwell Construction Co. Ltd.....	1,618,400.00
3.	Mile 21 to Mile 31, grading and provision of culverts and base course.	J. A. Moulson Construction Ltd.....	1,335,463.50
		Square M Construction Ltd., and Coleman Collieries Ltd.....	2,184,207.50
		Poole Engineering Co., Ltd.....	2,206,948.50
		Mannix Limited.....	2,248,635.25
		New West Construction Co., Ltd.....	2,274,590.00
		Standard Gravel & Surfacing of Canada Ltd.....	2,298,460.00
		W. C. Wells Construction Co., Ltd.....	2,360,942.50
4.	Mile 43·3 to Mile 51·1—grading and provision of culverts and base course.	Standard Gravel & Surfacing of Canada Ltd.....	2,074,440.00
		New West Construction Co., Ltd.....	2,135,920.00
		Poole Engineering Co. Ltd.....	2,188,060.00
		Square M Construction Ltd., and Coleman Collieries Ltd.....	2,209,990.00
		Mannix Limited.....	2,369,330.00

Questions

Serial	Contract Details	Tenderers	Amount of Tender
6.	Construction of 5 small reinforced concrete rigid frame bridges between Mile 13 to Mile 40.	Nodwell Brothers Ltd.	$249,168.55
		Poole Construction Co., Ltd.	266,256.75
		Burns and Dutton Concrete and Construction Co. Ltd.	288,800.00
		Assiniboia Construction Co. Ltd.	290,753.28
		Remington Construction Co. Ltd.	293,927.00
		Baynes-Manning (Alberta) Ltd.	301,760.05

4. Answered by No. 1 (Serials 1, 2 and 4).

TOMATO PRODUCTS IMPORTS

Question No. 237—**Mr. Lennard:**

1. How many pounds of tomato products were imported into Canada, during the calendar year of 1955 from, (a) the United States of America; (b) Italy?

2. What was the value of such imports from each of the countries mentioned?

Answer by: **Mr. Howe (Port Arthur):**

1 and 2. Imports of tomato products (includes juice, paste, puree, pulp, and canned tomatoes) (Statistical classifications 136, 137, 138, 139, 140) during the calendar year 1955, were as follows:—

	Lb.	Value
(a) From United States	39,136,951	$3,122,533
(b) From Italy .	12,734,419	$1,572,639

PRESERVED CHERRY IMPORTS

Question No. 238—**Mr. Lennard:**

1. How many pounds of cherries, sulphured or in brine, were imported into Canada, during the calendar year 1955 from, (a) the United States of America; (b) Italy?

2. What was the value of such imports from each of the countries mentioned?

Answer by: **Mr. Howe (Port Arthur):**

1 and 2. Imports of cherries, sulphured or in brine (statistical classification 51) during the calendar year 1955, were as follows:—

	Lb.	Value
(a) From United States	1,125	$ 312
(b) From Italy .	6,616,164	829,131

T.V. STATION CBLT

Question No. 241—**Mr. Pallett:**

1. Is T.V. station CBLT changing from channel 9 to channel 6?

2. If so, what steps, if any, have been taken to ensure that there will be no interference to reception on existing channels in the Toronto area?

Answer by: **Mr. McCann:**

The Canadian Broadcasting Corporation advises as follows:

1. Yes.

2. No steps required as assignment of channel 6 is in accordance with the Canada-United States of America allocation agreement.

MIGRATORY BIRDS CONVENTION ACT—PROSECUTIONS

Question No. 249—**Mr. Herridge:**

1. How many prosecutions have been instituted under section 6 of the Migratory Birds Convention Act, since January 1, 1950, to date?

2. How many convictions were obtained in this period?

3. How many persons were fined, were imprisoned, or were both fined and imprisoned?

Answer by: **Mr. Lesage:**

1, 2 and 3. Prosecutions under the Migratory Birds Convention Act, section 6, since January 1, 1950:

Year	Number of prosecutions	Number of convictions	Number of fines	Number of suspended sentences, etc.
1950	58	57	56	1 sentence suspended
1951	15	14	13	1 sentence suspended
1952	33	33	33	
1953	16	16	15	1 bound over
1954	12	12	12	
1955	18	17	17	
1956	—	*	—	
Total ... 1/1/50 to 7/3/56	152	149	146	2 sentences suspended 1 bound over

* None reported to March 7, 1956.

Questions

No sentences of imprisonment were imposed during the above period for violation of section 6 of the Migratory Birds Convention Act.

SHIPPING STATISTICS—CANADIAN PORTS

Question No. 253—**Mr. Hahn:**

1. How many ships carrying export and import goods called at the ports of Montreal, Quebec, Halifax, Nova Scotia, Vancouver, New Westminster, British Columbia, in each of the years 1951, 1952, 1953, 1954 and 1955?

2. What was the total tonnage of freight other than passenger cargo (a) exported; (b) imported, through each port in each of these years?

Answer by: **Mr. Howe (Port Arthur):**

1. NUMBER OF VESSELS ARRIVED AT AND DEPARTED FROM CANADIAN PORTS IN INTERNATIONAL SEABORNE SHIPPING

Year	Montreal		Halifax		Vancouver		New Westminster	
	Arrived	Departed	Arrived	Departed	Arrived	Departed	Arrived	Departed
1951	1,809	2,145	1,111	1,164	2,424	2,356	736	826
1952	1,927	1,843	1,165	1,133	2,909	2,743	690	831
1953	2,149	2,866	1,157	1,154	3,409	3,353	702	827
1954	2,054	2,751	1,164	1,172	3,609	3,506	766	869
1955*	.....	.....	.....	.....	.....	.....	.....	.....

*Data will not be available until May.

2. CARGOES LOADED FOR FOREIGN COUNTRIES AND CARGOES UNLOADED FROM FOREIGN COUNTRIES

Tons weight (2,000 lb.)

Year	Montreal		Halifax		Vancouver		New Westminster	
	Cargoes Loaded	Cargoes Unloaded	Cargoes Loaded	Cargoes Unloaded	Cargoes Loaded	Cargoes Unloaded	Cargoes Loaded	Cargoes Unloaded
1951	4,378,036	5,028,863	547,650	1,535,034	3,534,779	2,607,412	1,081,960	93,118
1952	5,655,171	3,978,764	757,798	1,979,504	4,480,315	2,676,853	1,195,298	94,453
1953	5,077,501	4,411,604	693,177	1,914,879	4,348,824	2,623,095	1,124,083	54,764
1954	3,861,534	4,809,560	612,828	1,804,118	4,658,799	1,482,348	1,117,193	57,853
1955*	.....	.....	.....	.....	.....	.....	.....	.....

*Data will not be available until May.

TAXABLE PERSONAL INCOME DEDUCTIONS

Question No. 255—**Mr. Michener:**

What would be the estimated annual loss in revenue if deductions from taxable personal income were allowed for, (a) real property taxes paid to municipalities in Canada; (b) school taxes paid to municipalities and school boards in Canada?

Answer by: **Mr. Harris:**

In order to answer this question it would be necessary to know the income tax rate of every taxpayer owning real estate in Canada. As this information is not of government record it is not possible to give an accurate estimate in answering this question.

T.V. SYSTEM—BANFF NATIONAL PARK

Question No. 259—**Mr. Johnston (Bow River):**

1. Have there been any requests for permission to erect a community T.V. antenna system in Banff national park?

2. If so, who made this request and what are the particulars in connection with such a proposal?

3. Has the government given any permit for such a construction?

Answer by: **Mr. Lesage:**

1. Yes.

2. A request has been received from Mr. Bert Henderson of Banff. The proposal envisaged: (i) the formation of a company to erect, maintain and operate a community T.V. system to distribute television programs to residents of Banff by means of wire and cable; (ii) the acquisition of suitable site for antenna, and right of way from said site to closest power or telegraph line with permission to carry connecting line on trees, and the stringing of carrier line to residences on telephone poles in the townsite; (iii) an installation charge of approximately $125 to each residence plus a monthly service charge of from $3 to $5; (iv) a capital investment of approximately $25,000 by the company.

3. No.

APPENDIX

STATEMENT BY THE MINISTER OF FINANCE

MARCH 9, 1956

At our October meeting the federal government put forward certain suggestions in broad outline. These were discussed quite fully at that time and later both in conversations and correspondence. They were then developed into definite proposals in the Prime Minister's letters of January 6 and February 18. We have circulated a statistical paper to indicate how these proposals would operate in the first year of the proposed arrangements, that is, in the fiscal year ending March 31, 1958. No one can foretell accurately either the level or the provincial distribution of population, incomes and profits one or two years hence, but we believe that the assumptions on which this table is based are reasonable.

Last October I suggested three principles or objectives that we ought to have in mind—

(a) to assure as far as possible, to both the federal and provincial governments, access to revenues consistent with their responsibilities;

(b) to develop and maintain fiscal arrangements that will contribute to high and stable levels of employment and that will tend to moderate rather than exaggerate the ups and downs in economic activity;

(c) to promote simplicity, economy and equity in the tax system as a whole and in the machinery of tax collection.

The system of tax rental agreements, which is about to enter its tenth and final year, went a long way toward meeting these objectives, but experience has shown that it has not succeeded in meeting all the considerations to which the members of this conference attach importance. The proposals now before you are designed to reconcile as much as possible the various views represented around this table.

These proposals go just as far as we can go at this time in providing fiscal need grants and in reducing the extent to which we are occupying certain tax fields. On the assumptions we have made, our proposal will make available to the provincial governments $640 million in the first year of the new arrangements. This is $108 million or 20 per cent more than would be available to them if the present tax rental agreements were renewed and all the provinces took full advantage of them. The $640 million is made up of:—

(a) Unconditional equalization grants	$152 million
(b) Revenues from the personal income, corporation and succession duty fields, either by rental agreements or collection agreements, or by direct provincial imposition and collection without any extra burden on the taxpayer ..	465 "
(c) Removal of the tax on insurance premiums from the definition of special corporation taxes	23 "
	$640 million

We believe that revenues of these magnitudes from these tax fields are consistent with the actual responsibilities at this time and what seems likely to develop in the next five years. Any province that considers that it requires larger (or smaller) revenues from these tax fields is, of course, entirely free to impose and collect whatever rates it deems proper; but if a provincial rate exceeds the standard rate it will not entitle the taxpayer to any additional credit or rebate from the federal treasury.

On our side, we cannot at this time make any further material concessions that would adversely affect our revenues. Defence expenditures have been stabilized in the past year or two at a high level (nearly $1,800,000,000). We can hope that they will not go higher, but we cannot be sure; neither is it wholly within our control, that they may not have to go up again quite sharply. Many of you will have noticed that defence estimates in both the United Kingdom and the United States have gone up this year.

During the past 15 years, with the consent, often at the urging of provincial governments, we have taken on very large new classes of expenditures in the field of social welfare—unemployment insurance, family allowances, old age pensions and assistance, and other measures—which this year are costing the federal treasury not far short of $900 million,

and are normally growing at a rate which will bring them over one billion dollars within five years. During the past year our total disbursement in these fields (including unemployment insurance benefits) was in fact over one billion dollars. All these payments have contributed to the maintenance of levels of incomes which have undoubtedly relieved the provincial governments of a great load of welfare claims that would otherwise have been pressed upon them and their municipalities. They have also had important beneficial effects on provincial revenues from all forms of taxation. They have been good and constructive expenditures, but their bearing upon the balance of revenues and responsibilities must not be overlooked.

Since we met last April the federal government has undertaken, subject to negotiated conditions, to assume costs in relation to unemployment assistance which in a year like 1954-55 would amount to about $25 million. We have also agreed in principle to assume additional costs of about $180 million a year in the field of health insurance. Now we are proposing arrangements which in the first year of operation and on the assumptions we have made will benefit provincial government treasuries by $108 million over and above the amounts already available to them under the tax rental agreement system. This, I assure you, is the practical limit of our capacity in these fields and at this time, having regard to all our other responsibilities, some of which, as in defence, are, in the last analysis, unlimited.

Our proposed stabilization payments are designed to give to the provincial governments an assurance of relative stability in these three tax fields. In effect we are offering every province unconditionally a guarantee that its annual revenues from equalization payments plus the yield or rental of the standard taxes will not fall below the higher of (a) its per capita rental available in 1956-57 multiplied by the current population, or (b) 90 per cent of its average actual revenues from equalization and stabilization payments and standard tax yields in the two preceding years. This is an offer of an unconditional floor in these tax fields, and a floor that keeps rising with our expanding economy. In the table before you, only Prince Edward Island and British Columbia benefit from this guaranteed minimum in 1957-58. We can all hope that the steady growth of our country is such that the floor will not often come into operation; but the insurance policy is none the less there.

The responsibility of promoting simplicity and economy in the whole field of taxation belongs to all levels of government. As a federal contribution to this objective we are offering two alternatives—tax rental agreements and tax collection agreements.

We are prepared to offer each province a tax rental agreement covering all or any of these three tax fields for the five year period April 1, 1957 to March 31, 1962. The rental to be paid to the province will be the estimated total tax liability of taxpayers in that province at the standard rates of tax. The renting province need pass no taxing statute and will incur no administrative costs. It will, however, be bound for five years.

Alternatively, in the case of a provincial government having enacted and undertaken to maintain a taxing statute that in the opinion of the federal government does not differ from time to time in any material respect from the comparable federal statute and imposes the standard rates, the federal government is prepared to enter into an agreement to collect the tax for the provincial government. The federal government would remit periodically to the provincial government the amounts collected less a fee to cover the cost of collection. The fee we have in mind is 2 per cent of the amounts collected, providing the accounting procedures can be kept reasonably simple. A collection agreement would have to be for a period of, say, three years; or if for two years the fee would probably have to be 3 per cent. The cost of redesigning our collection machinery would not justify entering into agreements on a one-year basis. Notice to extend or terminate a collection agreement would have to be given not later than about the last day of April preceding the year to be affected.

While there seems to have been a general acceptance of the principle of equalization, there is, I realize, some conflict of views on the manner in which it has been applied. Some provinces with very substantial taxable capacity feel that their responsibilities are such that they should be accorded still more room in these tax fields. Other provinces, where taxable capacity is below the average, press for still larger equalization or fiscal need grants. The federal government is squeezed between these conflicting views.

If we were to raise the standard rates and lower the level up to which we equalize, we would find it impossible, except at a quite unacceptable cost to the federal treasury, to establish a formula which would not reduce the payments to most of the provinces to amounts below those available under the current rental agreements. It has been suggested that we should meet this by supplementary grants on a straight fiscal need basis.

While I would like to come as close to meeting all points of view as possible, I do not believe that experience with fiscal need payments, based on a sort of periodic means test, has been such as to encourage us to use them when the more objective approach that we have adopted is available to us.

Other ideas have been put forward and I assure you that they have all been given careful consideration. The co-operative use of these tax fields and the elimination of conditional grants have been suggested. The periodic collective determination of tax policies and an agreed division of the total yield does not seem to me to be a practicable policy. If there is any real support for this suggestion we would, of course, be prepared to study it after we have had some experience with our present proposals. As for conditional grants, it has been a tendency over the years for finance ministers and provincial treasurers to disapprove of them in principle, but their spending colleagues seem to keep pressing for new or expanded conditional grants.

Our proposals as now set out before you are an earnest effort to meet the differing and sometimes conflicting interests of the various provincial governments and at the same time maintain fully the strength of the federal government to meet its wide ranging and vital national responsibilities. Our proposals are not entirely new, but are, we think, a constructive adaptation of our past experience to our present problems. We have tried to meet adequately and sympathetically the needs of those provinces which have been having difficulty in providing standards of service which modern societies consider to be essential. But we have also had to keep in mind the preservation of the national interests of our peoples. The national interests and national security must be preserved if provincial autonomy is to have any real meaning.

DEPARTMENT OF FINANCE, OTTAWA,
8 MARCH, 1956

An estimate of how the federal proposals would operate in fiscal year 1957–58, if (a) provincial populations were as indicated; (b) the yields of standard taxes and the insurance premium tax increased by 5% per annum over the 1955 levels at 1956 rates; and (c) the distribution of taxable incomes, profits and successions between provinces were in the same proportion as in the most recent breakdown available.

(all figures in thousands except per capitas and percentages.)

—	Fiscal Year 1957–58										
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
Population—June 1, 1957	432	108	703	578	4,700	5,509	867	929	1,172	1,377	16,375
Yield of standard taxes	4,275	825	9,545	7,240	127,525	209,490	18,415	13,005	25,610	48,595	464,525
Per capita yield of standard taxes	9·90	7·64	13·58	12·53	27·13	38·03	21·24	14·00	21·85	35·29	—
Equalization per capita to top 2 ($37.48)	27·58	29·84	23·90	24·95	10·35	—	16·24	23·48	15·63	2·19	—
Equalization payment for 1957–58 (1)	11,915	3,225	16,800	14,420	48,645	—	14,080	21,810	18,320	3,015	152,230
Standard taxes plus equalization payment (1)	16,190	4,050	26,345	21,660	176,170	209,490	32,495	34,815	43,930	51,610	616,755
Stabilization payment for 1957–58 (2)	—	80	—	—	—	—	—	—	—	95	175
Revenue available from 2% insurance premium tax	230	70	765	555	6,205	9,980	1,090	650	1,550	2,060	23,155
Total revenue available 1957–58 (1)	16,420	4,200	27,110	22,215	182,375	219,470	33,585	35,465	45,480	53,765	640,085
Tax rental payment available in 1956–57 (3)	14,045	4,130	21,810	18,370	139,535	168,700	28,415	28,420	35,010	50,360	508,795
Increase 1957–58 proposed formula over 1956–57 agreement formula (1)	2,375	70	5,300	3,845	42,840	50,770	5,170	7,045	10,470	3,405	131,290
Per cent increase	16·9	1·7	24·3	20·9	30·7	30·1	18·2	24·8	29·9	6·8	25·8
Tax rental available in 1957–58 if the 1952 agreements were continued (4)	14,690	4,120	22,565	19,065	144,800	177,070	29,240	29,620	37,505	52,670	531,435
Increase in proposed formula over the 1952 agreement formula, 1957–58 (1)	1,730	−10	4,545	3,150	37,575	42,400	4,345	5,845	7,975	1,095	108,650
Per cent increase over 1952 formula	11·8	·2	20·1	16·5	25·9	23·9	14·9	19·7	21·3	2·1	20·4
Per capita increase over 1952 formula	4·00	−·09	6·47	5·45	7·99	7·70	5·01	6·29	6·80	·80	6·64

(1) All equalization payments and total revenue available would be subject to possible deductions in respect of any provincial special corporation taxes levied.
(2) To bring up to per capita rate of payments in 1956–57—P.E.I. $38.24, B.C. $37.55.
(3) Estimated on gross national product at factor cost of $23·4 billion.
(4) Estimated on gross national product at factor cost of $24·4 billion.

NOTE: These figures are illustrative only.
No account has been taken of such increased revenue items as license fees, fire marshall's tax, personal income tax on non-residents etc.

HOUSE OF COMMONS

Tuesday, March 13, 1956

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Maurice Boisvert (Nicolet-Yamaska) presented the first report of the standing committee on external affairs, and moved that the report be concurred in.

Motion agreed to.

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. B. McCulloch (Pictou) presented the first report of the standing committee on railways, canals and telegraph lines, and moved that the report be concurred in.

Motion agreed to.

THE BUDGET

ANNOUNCEMENT OF PRESENTATION ON TUESDAY, MARCH 20

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I should like to give notice that it is my intention, subject to the usual reservations, to place the budgetary motion before the house one week from tonight.

EXTERNAL AFFAIRS

ISRAEL—APPLICATION FOR EXPORT OF 25-POUNDER SHELLS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on Thursday last as a supplementary question in connection with an answer I gave to the Leader of the Opposition about 25-pounder shells for export to Israel, as reported at page 1916 of *Hansard* the hon. member for Eglinton (Mr. Fleming) asked me this question:

> Would the Prime Minister give the date of the decision not to approve the issue of the permit by treasury board?

I told him I did not have that date in mind but that I could secure it for the hon. member. I was not here when the orders of the day were called on Friday and the hon. gentleman was not in his seat when they were called yesterday. I now have the date. It was January 13, 1956. It was a decision by treasury board not to approve the application it had before it at that time, but suggesting that it be considered by the cabinet as a whole.

[*Later:*]

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I should like to direct a question to the Prime Minister arising out of the statement he just made. Has any decision been reached as yet as to whether the 25-pounder shells will be sent to Israel?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, no decision has yet been reached. The matter has been considered very carefully and is still being considered. I hope a decision will be made at an early date.

REPORTED PROGRESS TOWARD AGREEMENT ON DISARMAMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Is there any information the minister can give the house concerning the report in today's press that some progress is being made toward agreement on disarmament?

Hon. L. B. Pearson (Secretary of State for External Affairs): I think all I can usefully say at this time is that the subcommittee of the United Nations on disarmament is beginning its meeting in London this week. Pending those discussions, I do not think it would be appropriate for me to make a report. The Canadian government will be represented at the meeting by the High Commissioner for Canada in the United Kingdom, together with advisers from the Department of External Affairs. The government has given a great deal of thought and preparation to the stand it will take at the meetings of this subcommittee, and it is hoped that as a result of the meeting some progress can be made in this vitally important matter.

UNITED NATIONS—INCREASED AID TO UNDERDEVELOPED COUNTRIES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs arising

out of his speech last evening in Toronto respecting the need of extending aid and assistance, technological and otherwise, to underdeveloped countries. Has he in mind increasing the amount of the increase as forecast for this year in the speech from the throne under the Colombo plan and extending assistance along the lines indicated as necessary by himself last night having regard to the new Russian attitude?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, it is already known that the Canadian government will recommend to parliament an extension of our aid under the Colombo plan by an amount that has already been made public. That I think is sufficient evidence that we recognize the need for the extension of this type of assistance.

Mr. Diefenbaker: But over and above that?

[*Later:*]

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs following the question asked by my friend the hon. member for Prince Albert. Is the government reconsidering its position regarding SUNFED, and did that have some bearing on the minister's suggestion of last evening?

Mr. Pearson: Well, Mr. Speaker, when this proposal which is known as SUNFED comes before the economic and social council of the United Nations of which Canada is now a member it will naturally be given every consideration by the representatives of the government on that council.

WATER RESOURCES

FLOOD CONTROL PROJECTS—INQUIRY AS TO CHANGE IN GOVERNMENT POLICY

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct a question to the Prime Minister. Has the government changed its policy with respect to flood control projects undertaken jointly with the governments of the respective provinces? If so, would the Prime Minister care to state the reasons for this major change in policy?

Right Hon. L. S. St. Laurent (Prime Minister): I think the hon. member will realize the question is framed in such general terms it could not properly be answered on the orders of the day. He speaks of a policy with respect to flood control, and any answer would have to have many qualifications as to what was understood to be a policy. There have been certain cases that were dealt with as major disasters on an ad hoc basis, and since that time parliament has adopted the Canada Water Conservation Assistance Act, which sets out under what conditions parliament has authorized the government to enter into arrangements for the conservation and control of waters when they constitute major projects that could be regarded as matters having a national interest.

Mr. Zaplitny: May I ask a supplementary question which I hope may clarify the information I was seeking. Is it a fact that the government has now decided to follow the policy of proceeding under the conservation act rather than under the Prairie Farm Rehabilitation Act with respect to drainage projects in western Canada?

Mr. St. Laurent (Quebec East): With respect to major projects, they have never been dealt with under the Prairie Farm Rehabilitation Act. They have been dealt with by the prairie farm rehabilitation staff under special appropriations made by this parliament.

SIZE OF PROJECT NECESSARY FOR FEDERAL ASSISTANCE

On the orders of the day:

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, may I direct a question to the Prime Minister following the answer he just gave to the hon. member for Dauphin. Would an application from a province for federal aid in connection with conservation have to deal with a project involving a certain amount before the dominion government would participate?

Right Hon. L. S. St. Laurent (Prime Minister): There is no stated amount, but it would have to be a major project that it would be fitting to recognize as something of national importance.

Mr. White (Hastings-Frontenac): Would the Prime Minister care to indicate what he means in dollars as representing a major project?

Mr. St. Laurent (Quebec East): No, I do not think I should attempt to do that. Every application will be considered on its merits.

HEALTH AND WELFARE

DR. JAMIESON—REQUEST FOR RECONSIDERATION OF MOVE

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of National Health and Welfare or in his absence to his colleague the assistant. Will the minister give further consideration to the decision

made to remove Dr. Jamieson from Norway House to Prince Albert, Saskatchewan?

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): I regret that I have not the information to answer this question today, but I will take it as notice and bring it to the attention of the minister.

TRANSPORT

FERRY "BLUENOSE"—INQUIRY AS TO RESUMPTION OF SERVICE

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I direct a question to the Minister of Transport. Is he in a position to give us any further information on when the *Bluenose* will be back in service and, if not, what schooner will be in service while it is off?

Hon. George C. Marler (Minister of Transport): I am very happy to inform the house that the repairs to the *Bluenose* were completed yesterday, and as soon as I am in a position to make an announcement as to the resumption of service I shall do so.

WOOD ISLAND-CARIBOU—INQUIRY AS TO NAME OF NEW FERRY

On the orders of the day:

Mr. T. J. Kickham (Kings): Mr. Speaker, may I direct a question to the Minister of Transport. Has a name been chosen for the boat now under construction and to go into operation next year between Wood Island and Caribou?

Hon. George C. Marler (Minister of Transport): Yes, a name has been chosen, the *Lord Selkirk*.

CANADIAN NATIONAL RAILWAYS

TRURO, NOVA SCOTIA—STATEMENT ON REQUEST FOR ADDITIONAL MOTIVE POWER

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Colchester-Hants (Mr. Purdy) asked a question concerning the railway situation in Truro, Nova Scotia, to which I now wish to reply.

The management of the Canadian National Railways advises me that adverse weather conditions from the beginning of January until the end of February have resulted in congestion in the Atlantic region and have created a backlog of traffic which has not yet been overcome. Traffic volume in both directions has been unusually high, but the management points out that despite the extremely difficult operating conditions, there has been no lessening of efficiency on the part of railway personnel. Everything has been and is being done both day and night to relieve the situation, and additional motive power has been supplied when that action was possible.

With reference to the particular car mentioned by the hon. member, I wish to say that as the complete car movement record has not yet been obtained, information is not yet available to the management as to the causes of the delay which the hon. member mentioned, but I am advised that the car left Truro on March 8 and will be in Quebec city today.

FREIGHT RATES

GRAIN, HOGS AND CATTLE—INQUIRY AS TO EFFECT OF RECENT INCREASE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question—

Hon. George C. Marler (Minister of Transport): Mr. Speaker, if hon. gentlemen who belong to the C.C.F. did not ask so many questions I should not take up so much of the time of the house.

Yesterday the hon. member for Moose Mountain (Mr. McCullough) asked whether I could say what would be the effect, if any, of the boost in freight rates which went into effect on Wednesday, March 7, on grain, hogs and cattle shipped to the United States. The only information I can give to him is that the freight rates to which he apparently referred in his question are the rates established on international traffic between Canada and the United States by mutual agreement between the railways of both countries. Effective March 7, 1956, these joint rates on grain and livestock were increased by 5 per cent.

ATOMIC ENERGY

INQUIRY AS TO INVITATION TO HYDROGEN BOMB TESTS IN PACIFIC

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the Canadian government been invited by Washington to send observers to the forthcoming United States hydrogen bomb tests in the Pacific? If not, has the Canadian government considered making such a request?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I shall take the hon. gentleman's question as notice.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO NEGOTIATING INDIVIDUAL AGREEMENTS WITH PROVINCES

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to ask the Prime Minister whether it is the intention of the government to negotiate individual agreements with provinces on a different basis, in accordance with the suggestions that have been made by some of the premiers who were in Ottawa a few days ago.

Right Hon. L. S. St. Laurent (Prime Minister): No, I do not think it is the intention of the government to negotiate contracts on different bases. The whole purpose of the studies we have been making over the last year has been to try to find some formula that could be applied generally to all the provinces.

Mr. Drew: I have a supplementary question. May I take it that if any changes are made by way of negotiation with any province they will immediately be indicated to all provinces and to the members of this house?

Mr. St. Laurent (Quebec East): Oh, certainly, Mr. Speaker. If the government found on the representations of any province that there was something that should be and could be considered in favour of that province it would immediately be brought to the notice of the house and to the notice of all the other provincial governments.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to direct a question to the Prime Minister. Is it the intention of the government to give back the taxing privileges that belong to the provinces?

Mr. St. Laurent (Quebec East): Will the hon. gentleman be kind enough to repeat his question?

Mr. Hodgson: Is it the intention of the government to give back the taxing privileges to the provinces?

Mr. St. Laurent (Quebec East): It is the intention of the government to make as much way as circumstances permit it to do in the field of taxation where the provinces and the federal government both have rights.

POSTAL SERVICE

ALTERNATIVE MAIL SERVICE TO TOWNS EAST OF ESTEVAN, SASK.

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Postmaster General. Can the minister inform the house whether alternative mail service to towns east of Estevan, Saskatchewan, will be provided after May 4, if the rail service on the Brandon-Estevan line is curtailed, as stated in the Regina *Leader-Post* of March 6?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, the department was advised by the Canadian Pacific Railway of their intention to curtail the service to which my hon. friend has just referred. I believe the service at the present time is daily, and the intention is to make it tri-weekly. As soon as the department was advised we immediately initiated a survey in order to determine how this service could be supplemented so that the localities to which my hon. friend has referred would continue to have adequate postal service.

[*Later:*]

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I should like to ask the Postmaster General a supplementary question. Has the minister considered the possibility of using a bus service to replace the train services which are now being curtailed in western Canada?

Mr. Lapointe: I am sorry, Mr. Speaker, but I could not hear my hon. friend's question properly.

Mr. Campbell: Has the minister considered the possibility of using a bus service to replace the train services which are now being curtailed in western Canada?

Mr. Lapointe: Mr. Speaker, now that I have heard my hon. friend properly I submit that that policy has been in effect for some years in the department, and that motor vehicle services or bus services replace train services when the latter are curtailed.

DRUGS

USE OF STILBESTROL IN POULTRY AND LIVESTOCK FEEDS

On the orders of the day:

Mr. James A. McBain (Elgin): Mr. Speaker, on Friday I asked a question of the Minister of National Health and Welfare and received a reply yesterday from the parliamentary assistant to the minister. I would now like to ask a supplementary question. Is the parliamentary assistant aware that no such article as the one to which he referred me appeared in the St. Thomas *Times-Journal* of March 9, and is it now the policy of the government to play hide and seek in answering these questions?

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): Mr. Speaker, I must confess that the article which I read myself appeared in the London *Free Press.* I was informed, however, by a responsible member of this house that the same article appeared in the St. Thomas *Times-Journal* of March 9. I regret very much indeed if my information was inaccurate, but I think possibly the St. Thomas *Times-Journal* might receive permission from the London *Free Press* to print this article in their newspaper.

Mr. Fulton: You have not given an answer to the question.

Mr. McBain: I should like to ask a supplementary question, Mr. Speaker. Is it now the policy of the parliamentary assistant to have the questions which are directed to him answered by the daily press?

Mr. Speaker, in view of the fact that the question I asked the other day still remains unanswered may I now direct it to the Minister of Agriculture. Is it the intention of the government to legalize the use of stilbestrol in livestock feeds?

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

PUBLIC BUILDINGS

BRITISH COLUMBIA—LOCATION OF NEW FORESTRY LABORATORY

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I wish to direct a question to the Minister of Agriculture concerning a matter about which I communicated with him some time ago. Has a decision yet been reached as to the location of the new forestry laboratory which is designed for British Columbia? If so, where will it be located?

Right Hon. J. G. Gardiner (Minister of Agriculture): A decision has been reached to put it on the property in Saanich which was purchased some time ago.

PRIVILEGE

MR. MCIVOR—REFERENCE TO REPORTED STATEMENT BY LEADER OF THE OPPOSITION

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, on a question of privilege I wish to welcome back the Leader of the Opposition after his strenuous time in Fort William, but my question of privilege is that he made a statement as reported in the Fort William *Times-Journal*—

Mr. Speaker: Order. I am sure we all appreciate the return to the house of the Leader of the Opposition and we welcome him back, but I do not think there is any question of privilege involved in the hon. member's statement.

NATURAL GAS

APPLICATION FOR EXPORT PERMIT BY NORTHERN NATURAL GAS COMPANY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. He has not yet had one today. Is the minister aware that Northern Natural Gas Company of Omaha has applied to the Alberta petroleum and natural gas conservation board for permission to export 300 million cubic feet daily of natural gas? What effect will this application have on the proposed Trans-Canada-Tennessee project?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, before answering the question may I say that I prefer to wait to see what disposition the conservation board of Alberta makes of that application.

Mr. Knowles: May I ask a supplementary question? What effect does the minister think this new application will have upon the other hearing before the federal power commission?

Mr. Howe (Port Arthur): I would not care to comment upon judicial proceedings in another country.

HOUSING

LIMITED DIVIDEND HOUSING PROJECTS—CONTINUATION OF POLICY

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, in the absence of the Minister of Public Works I wonder if his parliamentary assistant would be in position to answer a question I asked some time ago regarding loans under the Central Mortgage and Housing Corporation in connection with hostel type buildings?

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): Mr. Speaker, I am not in position to give an answer right away but I shall take the hon. member's question as notice and give an answer later on.

SUPPLY

The house resumed, from Monday, March 12, consideration of the motion of Mr. Garson

(for Mr. Harris) for committee of supply, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Argue.

AGRICULTURE—ECONOMIC POSITION OF INDUSTRY

Mr. G. W. Montgomery (Victoria-Carleton): Last evening before the adjournment my remarks were being directed toward that phase of the agricultural industry which in my province plays a generally recognized part, that which is classified as mixed farming. I assure you it was not the growing and prosperous picture I should like to have been able to disclose in connection with this great national asset.

However, in the agricultural industry, as in others, there are exceptions, and there are various degrees of prosperity. Generally speaking one finds a higher degree of prosperity in areas where dairying is more or less the dominant phase of agriculture. There is some stability to it. It has received assistance by way of protection and floor prices and, with the growing consumption of milk and related products, it is a far more stable part of the agricultural industry than some others. In the dairy areas in my province one finds far more steady prosperity.

I understand that approximately one-sixth of the population of our country depends upon this industry. Therefore it needs protection. It needs not only the protection it has; it needs more protection to keep it such a great industry, and it needs assistance to keep it stable. In my opinion that comes within the purview of this resolution.

Another exception I should like to mention, in so far as my own constituency is concerned, is an industry in which I am vitally interested, the potato industry. We have the small grower who mixes this crop with other crops, and we have the large producer who has specialized in the potato industry to the exclusion of all other crops. Some of our most prosperous farmers are those who have specialized in potato production. Within my constituency can be seen some of the finest rural homes that can be found anywhere in the province. These producers have lovely buildings, good farms, between 200 and 500 acres, and plenty of equipment, and they enjoy a degree of prosperity much higher than the great mass of farmers.

Unfortunately we do not have enough of this type of farmers, and the areas are small where this prosperity seems to accumulate. Over the years a percentage of our large potato growers have been fortunate and have prospered in this most difficult and uncertain phase of agriculture. However, whilst this group is small percentage-wise, it is a very important group nevertheless and contributes greatly to our local economic situation and the outlook in general in connection with our national economy. But during the past few years it has been caught in the cost-price squeeze, just as other farmers have. These producers have had only one good year in the last five, and much of this accumulated wealth—these beautiful homes that you see and the large amount of equipment—is commencing to dwindle. Many of those people who have prospered are commencing to find that their wealth is dwindling, and some of them are having a difficult time to get cash with which to pay their bills. This is a most unfortunate situation in a part of agriculture that should be more stable.

I should like to give an illustration. It is a general illustration but I think it will bring out the point that was impressed upon the hon. members of this house yesterday. I hold in my hand the potato report which I get daily. It is dated yesterday, March 12. I will take as an example this city of Ottawa. Wholesalers were paying for potatoes in this city yesterday an average of 2½ cents a pound. In order to make a fairly close check I contacted some of my farmers at home. I find that the price they were getting last Friday, Saturday and yesterday permits the farmer to clear over his cost of production—out of that 2½ cents a pound—between one-fifth and one-quarter of a cent. If you want to put it into bushels, it will give him between 15 and 20 cents a bushel. Out of that 15 to 20 cents a bushel for growing his potatoes he has to live, pay his taxes and provide for the interest on the capital which he has invested.

I think that example clearly demonstrates the extremely narrow margin on which our farmers are working. That is the highest price that has been paid for potatoes this season—and the season begins about the middle of September or the first of September—with the exception of a few local lots which are of the very early variety. Two and a half cents a pound may seem to be quite a good price. By the time the consumer gets the potatoes I have no doubt it is about 3½ cents a pound. But what we are trying to impress upon the government is what the farmer gets for his labour in producing his crop. I think that example demonstrates the situation clearly. Whether you take the farmers on an average or whether you take them individually, the net amount they receive is very small.

It seems to me that the situation illustrates another point which I suppose I should mention to the Minister of Agriculture before

sitting down. I think it demonstrates clearly to him why the potato growers did not joyfully and thankfully receive that starch diversion program which this government offered them in January. I suppose the way they look at it is that they might as well lose money in one way as in another. However, at $1 a barrel they just cannot break even. When potatoes are priced from $2 to $2.15, as they are today and were yesterday and Friday, they can make merely a little profit. We need more stability. There are those people who take a chance and in some years they make a great deal of money; in other years they lose a great deal of money. That is not good for agriculture.

Mr. Speaker, I have tried to fairly sum up the agricultural situation, in my province and generally. I believe that the average is much the same all over eastern Canada. The west, where there are large wheat growers, I know nothing about. However, I think the progress of the farmer is fairly clearly demonstrated. We will put it this way. It is lagging far behind the progress of other groups in this country, and I do not think that is a sound situation.

I am going to quote a few words here as follows:

> The way of life of the farmer is itself a great national asset and his prosperity is the foundation of national prosperity.

I wonder whether any of the hon. members opposite have ever heard those words before? In case they have forgotten I will tell them that they were part of the national federal Liberal program in 1948. The statement continued:

> It is the policy of the Liberal party to foster that prosperity through secure markets at fair prices.

I am quite ready to leave it to the farmers of this country to judge whether or not this government has carried out this pledge to agriculture. It is not for me to be the judge. I think the principle is sound and I can agree with it. I think this government should make every effort to carry it out, or there should be some explanation as to why they cannot do so.

I believe the farmers are entitled to a fair price for what they produce and sell in relation to prices they have to pay for the goods they must purchase. Surely they are entitled to a fair return on their capital investment. Surely they should not be expected to work double the hours worked by other groups and get less and, as a matter of fact, sometimes not break even.

In conclusion, Mr. Speaker, let me say that I believe in the principle enunciated in this amendment. I believe it can be implemented successfully, and I support it. I again affirm my opinion that the farmers of this country are entitled to nothing less.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I had thought that the matters which have been discussed yesterday and again today might have been discussed on my estimates. I had therefore intended to make at that time any remarks which I am going to make now. In view of what has been said and the fact that the question is in the minds of most hon. members at the moment, I think probably I should deal now with the remarks which have been made.

The hon. member for Prince Albert (Mr. Diefenbaker), in bringing forward his amendment to the motion to go into supply, moved it in these words:

> . . . in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to create parity of prices for agricultural products at levels to ensure producers a fair price-cost relationship.

The amendment to that amendment is in words which would add something to the idea but I do not think they change the matter under discussion. As the hon. member for Prince Albert stated yesterday, the matter of parity prices has been before this house on previous occasions. The first occasion referred to yesterday was in 1941, when the hon. member for Prince Albert moved practically the same amendment to the same motion, a motion to go into supply. It reads as follows, as recorded at page 2280 of *Hansard* for April 8, 1941:

> —it be resolved that the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make.

I repeat, the substance of that amendment is practically the same as the one which is before the house now. The conditions, however, are quite different. In 1941, as the amendment states, we were at war. When we were at war, of course, we were under the War Measures Act. When we were under the War Measures Act this government had practically all the authority that is ever given to governments within Canada. In other words, in connection with the marketing of farm products we had the responsibility during wartime for doing what the provinces have responsibility for during peacetime. If the provinces saw fit to take care of some of these necessities on their own, then it was

unnecessary for the federal government to take action. If the provinces did not take action, then on certain occasions we did.

I noticed that the speech the hon. member for Prince Albert delivered on that occasion was practically the same as the speech which he delivered yesterday. If I were to take the time to read it, it would be acknowledged that it is very much the same. It refers to the very difficult conditions through which farmers were passing at that time and refers to the relationship between their income and the income of other parts of the economy. It also criticizes the Minister of Agriculture because the government had no policy. It goes on to state that there had been an increase of 3 million acres in the acreage of wheat that had been seeded in western Canada during the years that were under discussion. The hon. member lays the blame for that at the door of the Minister of Agriculture. He says this, as reported at page 2305 of *Hansard* for April 28, 1941:

> Why has the acreage in wheat been increased by some 3 million acres since the beginning of the war? In my opinion the first and outstanding reason for this increase in acreage has been the lack of leadership of this government. That is evidenced by the fact that in November, 1939, the Minister of Agriculture (Mr. Gardiner) is reported to have stated—

Well, the members of this house will recall that in the years immediately preceding the war we did have a drought period in western Canada. The same thing happened there that happens in any similar area when a similar situation develops. The farmers had a certain acreage in wheat when the drought struck. Each year they had that optimism for which farmers in the west are noted, and believed that next year was going to be better than the year before. The land which had not grown any crop, say in 1931, and was not properly summerfallowed, was seeded next year in spite of the fact that it grew no crop. Fortunately for them they did get a fair crop in 1932, but unfortunately for them as they went along one year after another doing that and increasing their acreage, trying to get back in one year what they had lost in two, they finally finished up with an acreage of between 28 and 29 million. They had started out with a much lower acreage.

Of course the hon. member for Prince Albert told me at that time, as he told me yesterday, that I should have told the farmers what to do. I should have told the farmers then it was foolish for them to put in more acres of wheat. I should have told them that after the war ended they would not need wheat because they could not market it. He said the Minister of Agriculture should have told them that. Yesterday he said the Minister of Agriculture should tell them now what they ought to do. In other words, the Minister of Agriculture should become the dictator that the hon. member is continually saying the members of this government are.

I do not agree with him. As a matter of fact he went on to state that last December we had a conference. The conference met and discussed matters and then the representatives went home, but they were not told anything; they were not told what to do.

From time to time I recall reading about the experiences on the south side of the border. We learn from these experiences. It was found to be quite difficult to compel people to do things by passing laws and saying you must do this or that. We found it was much better to persuade them to do the things we wanted them to do. In the session of 1941 we offered them $4 per acre to take land out of wheat and put it into summerfallow. We offered them $2 per acre to take land out of wheat and put it into oats. We offered them $2 to put it into pasture, and so on. The farmers followed those suggestions. We did not compel them to do that. We did not tell them to do it. We offered to pay them to do it, and they reduced the acreage to 17 million acres in two years.

We thought that was a much more effective way of doing it. I know that in a speech at that time my hon. friend condemned the members of the house who voted for that measure. He condemned the members of the government who supported it, on the ground that they should not put $35 million into the hands of the Minister of Agriculture. Well, I can understand his feeling on the matter, but the farmers in Saskatchewan thought differently. They thought it was worth the millions that were paid in order to take the land out of wheat and prepare it for the production of better crops of wheat later.

Everyone who has ever farmed in western Canada knows that you store up moisture one year by summerfallowing in order to produce a crop the next. By getting the summerfallow land increased greatly in acreage and getting the acreage down in 1941, in 1942 we had the greatest crop we had ever grown up to that time on a lower acreage. This wheat formed a considerable part of the storage we had throughout the war and toward the end of the war.

I make those statements, Mr. Speaker, as coming from the member for Prince Albert and call the attention of the house to them. I could quote them from the record, but it is not necessary to do so. Anyone can take the volume of *Hansard* of that year and read

those statements for himself. I quote those statements in order to indicate that 15 years ago next month the opposition were saying almost exactly the same things they are saying now. They were saying the farmers were going through a very difficult period; they were going through that difficult period because the government had no policy; they were going through that difficult period because the government was not telling the farmers what to do.

But instead of following those directions of the opposition of the time, we followed a policy which we thought was wise. That policy was to call together the ministers of agriculture of all the provincial governments here in Ottawa, and ask them to bring along their officials. We asked the farm organizations in the different provinces to send representatives to this conference, and we set the first week in December as the date upon which we would hold that conference every year. From that time down to this we have had 17 of these meetings. We had the last one in the first week of December last year.

My hon. friend says that we did not decide anything and that I did not give them any instructions. Well, he is right when he says I gave them no instructions. But if he reads the record of the meeting he will find that this year, as every year, I summed up the discussions at the conference and indicated what, in the opinion of all those who were there, ought to be done as a result of the discussions, and that information has been circularized all over the country.

In order to indicate to hon. members what result that has had in the past, as I indicated a few moments ago we started into the war with an acreage of around 29 million acres. In the middle of the war we succeeded in having the farmers reduce that acreage to 17 million acres, and we went on producing from there. But there was more involved in that than simply reducing the wheat acreage. The reason we suggested that the farmers reduce the wheat acreage was in order to make it possible for them to get money. There is complaint now that farmers are not able to get money out of wheat. Well, that is not a new thing. It was a common thing in the days when the last government preceding this one was in power. It was a common thing in the first years we were in office, and it threatened to become a similar thing in the middle of the war, in 1941 and 1942.

Therefore, in addition to offering them $4 an acre to take land out of wheat, we held meetings over the western part of Canada. I held 25 of them myself in different parts of western Canada. I pointed out to the farmers what I have been criticized already this session for pointing out to the farmers, namely that a bin of wheat is a good bank account. I did not need to tell them they could not spend it because they were not able to sell the wheat.

We accumulated 600 million bushels in the elevators of this country in the middle of the war which could not be sold, and I did what the hon. member for Moose Mountain (Mr. McCullough) was accusing me of doing yesterday. He said that at some time or other away back in the past I had told the farmers that it was a good thing to produce livestock instead of wheat. On that occasion, as I said, I held 25 meetings. They were well attended. The officials of farm organizations were at the meetings, and we had very lively discussions. The discussions were on the ground that Britain and our allies required meat; they required eggs; they required cheese; they required canned milk. We said to them, "If you will produce these products you can market them every day of the year and get cash for them, and if you wish to store wheat the wheat will keep until the end of the war."

I notice that on this subject in 1941 my hon. friend the member for Prince Albert twitted me in connection with that by saying I set up a policy which policy was going to get rid of all this wheat by the end of the war. I said to him then it was not a policy, it was a prophecy; and that prophecy was made in this house when I returned from Britain in 1940. I said then, if we did have 600 million bushels of wheat in storage in the middle of the war, and the war were to continue for four or more years, within a year from the end of the war we would require 100 million more bushels of wheat than we would have in Canada.

Well, my hon. friend makes light of that kind of suggestion. He made light of it then, and he said the same things that are being said now. But the facts are apparent for everyone to read. A year after the war was over we were 100 million bushels short. We could have sold another 100 million bushels of wheat very easily, had we had it. If we had had the wheat it probably would not have been necessary for the United States to go back into wheat in a big way, as big a way as they ever were, even in the middle of the war. But we did not have it. The world needed it.

Canada went back into the production of wheat in perhaps a bigger way than she should have gone. The United States went back into the production of wheat, and we are still suffering from some of the results that happened as a result of our anxieties of

that particular time. We were anxious, not for the purpose of enriching the farmers of this country, not for the purpose of doing very much about the economy of this country, but for the purpose of seeing to it that people did not perish from starvation in certain parts of the world. Wheat was then, wheat is now, wheat has always been, the best insurance against starvation happening in the world because of the manner in which it keeps over long periods of years under storage conditions which are not expensive.

Well, we went through on that, and the suggestions of that time turned out to be as correct as suggestions made four or five years in advance can be, particularly when you are dealing with a product such as wheat. These were the experiences we had back at that time, and we came through them.

In 1941 my hon. friend moved that the cure for what we were experiencing was parity prices. Well, I can understand why he moved it. In 1933 the United States adopted a system of parity prices. Between 1933 and 1935 about half the plan they had set up was declared by the courts to be ultra vires and they set up another system, or a changed system. They left the methods by which parity prices were established the same as they had been before, and instead of attempting to compel the people to reduce their acreage they allotted certain acreage to them. If a farmer did have no more than this allotted acreage, then he would be allowed to get the advantages of the parity prices; but if he did not have or reduce to that acreage, then he would not get the advantages of parity prices.

The parity price system which was set up in 1933 had been functioning for a few years, and officials of the farm organizations did then as they do now. They read the publicity which came across the line; they heard the announcements on the radio, and they worked out a plan which they advocated based upon the same experience as farmers had over the first year or two down in the United States. This plan of parity was introduced into this house in 1941. As I said to this house on a previous occasion, we had at that time some extremely capable men on this side of the line. As a matter of fact one or two have been taken from this country to Washington in order to assist in connection with price controls and other things.

One of the best men we had during that period of time was the late Mr. Clifford Clark, deputy minister of finance. I well remember the discussions we had with him and I marvel now at his foresight. As a matter of fact someone said yesterday they thought that if I would get up and express my personal opinion I might be in favour of parity. I am going to say quite candidly to the hon. member that back in the period from 1941 to 1944 I put forth quite a few arguments in favour of parity, only to have them all talked down and myself convinced they were not sound by the gentlemen who were here then, some of whom are now in Washington, some of whom are now in universities on the other side of the line and some of whom have gone.

I have on my desk the latest report from the United States with regard to this matter. The report is made by some of the ablest men in the United States and is called "The Farm Foundation". The names of those who compiled the document are listed on the front page; they form the conference committee. The first gentleman mentioned is Mr. O. B. Jesness, chief, division of agricultural economics, University of Minnesota, St. Paul, Minnesota, and chairman of the committee. Then there is a list covering a whole page of the men who discussed this whole question and considered it in the light of the experience they have had.

I am not going to go through this whole document and read it to the hon. members of this house, but it starts off by mentioning the agricultural marketing act of 1929, when congress undertook to meet the agricultural situation by improving marketing arrangements.

It goes on discussing one subject after another, including the agriculture act of May, 1933, to which I just referred, which set up parity prices, the conservation act of 1936 which made some changes, and also the soil conservation and domestic allotment act of 1936, which was put forward and accepted as a measure of permanent farm policy, and so on.

Jumping over a number of pages I come to this statement:

> The effort to strengthen the farmer's incentive to larger production inevitably came into conflict with the general program of price control legislation.

I well remember the remarks of the then deputy minister of finance when he argued that that would be the result of a policy such as the United States was setting up. We then skip over a few more pages and come to the following statement:

> High level price supports continued after world war II.

They said that in order to get this higher production they required they converted this program into one of trying to induce production, and by doing so they brought about conditions which brought great difficulty later on.

Agricultural policy makers took care from 1941 to 1944 to project measures to insure the farmers against a similar decline after the close of world war II. That is a decline similar to the declines which had taken place following other great wars, speaking more particularly of the first world war as compared with the second world war.

The report goes on from one subject to another until finally we come to the recommendations made for the future. The report suggests that as free agents economically and politically, the farmers will have their own understanding and their own code of conduct as to what they will seek in the way of farm policy. That is exactly the conclusion we came to 17 years ago when we called the first conference in Ottawa of the farmers and farm workers across the country. We concluded that if you put the information into the hands of the 750,000 farmers in this country and allow them to arrive at their own conclusions with the information at their disposal, they will make a better job of formulating a production policy than could any small group in this house even if it included the Minister of Agriculture, as was suggested by my hon. friend the member for Prince Albert.

The hon. member to whom I have just referred thinks I should go out and tell the farmers what to do. I would point out to him that this December conference was attended by the best agriculturists we have in the federal department. They met there and read their prepared papers. The conference was attended by the best agriculturists we have under the provincial governments, and under the farm organizations right across Canada. After two or three days' discussion of the conditions existing in Canada and outside the country in relation to the marketing of our products, those men went back to their home communities and spread that information amongst the farmers. I submit, just as this document submits, that as the result of the experience from 1933 up to the present you can depend on the decisions of the farmers on the land to arrive at a correct conclusion if you give them the information.

Mr. Nicholson: Will the minister permit a question?

Some hon. Members: Sit down.

Some hon. Members: Go ahead.

Mr. Argue: He loves questioning everybody else.

Mr. Gardiner: I do not object to questions.

Mr. Nicholson: Will the minister not admit that the conferences were started to solve the problem of lack of production, and now that we have solved that problem will he not agree that the farmers want some direction from the government?

Mr. Gardiner: I always attend the conferences, and I can tell you that there are many people who will tell you that over the last 17 or 18 years I have given them too much direction. I do not go to a conference to sit around and do nothing.

The second point brought out in the report is that we have organized farm groups. We have them at the conferences, too. The third point is that there are statesmen and politicians. Well, we are there, too.

Mr. Fulton: Are you a statesman or a politician?

Mr. Gardiner: The fourth point is: Educational and advisory agencies, which are so distinctive a feature of the United States agricultural system, must be utilized. We have them at the conference.

The report goes on giving one point after another, saying that one has to give consideration to all these matters. Finally the report suggests, and from the point of view of what we are discussing it is most important:

> The "parity price" formula having outlived its day of usefulness should be abandoned in the interest of gearing a farm program to present economic realities.
>
> We recognize that price parity has been widely regarded as the rock upon which to found American farm policy. But farmers should now squarely face the fact that this mechanism is not compatible with an agricultural policy which will continuously adjust agriculture to technological and market changes and fit the farming industry most effectively into the total economy. It is not good economics to rely upon an automatic formula of price relationships which, in its very nature, is backward looking and tends to impair the flexibility of economic adjustment to changed—and ever changing—conditions.

Just before coming into the house I heard that they took a vote on this question in Washington. I hope this information is correct and that if it is not no one will blame me for taking it off *Hansard*. The vote was 45 to 45 and the vice-president cast the deciding vote against continuing this policy.

An hon. Member: A Republican.

Mr. Gardiner: There are a lot of people in this house who would probably be Republicans if they were on the other side of the line. I am not so sure that the hon. member for Assiniboia (Mr. Argue) would not be. Anyway that was the result arrived at by that group of individuals, the members of which are among the best agriculturists on the other side of the line.

Mr. Nicholson: What date is that?

Mr. Gardiner: It is dated 1952. It is all very well to advocate a policy of this kind. My hon. friends want something more up to date, so I will give them Mr. Benson's opinion on it. Mr. Benson is secretary of agriculture of the United States and he has said a few things which I think we ought to understand. He had this to say in Regina last summer.

Mr. Speaker: I am afraid I shall have to ask the minister to paraphrase this. It appears to be an opinion by someone outside the house on a measure which is now before the house. See Beauchesne's third edition, citation 265.

Mr. Gardiner: After having said a number of other things, he spoke of rigid price supports not promoting prosperity. He went on to say that experience had proved that rigid supports did not provide the abundance which the United States needed for a peacetime economy. I do not think you will object to my reading his views with regard to what we are doing in Canada. He said:

> We are paying you the high compliment of imitation. Your government has long devoted far more attention to the quality of your wheat going into the foreign market than we have. Most of your agricultural controls, likewise, are designed to encourage quality production, rather than to limit output. We hope now at long last to move in this same direction.

When hon. members come before this house proposing to do what the United States did away back 23 years ago, when that country has had experience with it ever since and then the leading agriculturists in the country and the secretary of agriculture in the country state that what we have been doing is more satisfactory than what they have been doing down there, I think we should listen to those opinions and take action accordingly. For that reason I am going to suggest that we find out just what was said at this conference last fall, and what has been said by the federation of agriculture.

I noticed that in his speech in 1941 the hon. member for Prince Albert quoted the presentation made by the federation of agriculture at that time to the government of Canada, and practically accepted their platform as his platform. He said those were the things the government ought to be doing. Yesterday he did the same thing, but unfortunately he did not quote them; he just said that certain things had been done and then went on.

I have in my hand a copy of the speech I made at the end of the conference in December last. After having put the question to the conference as to what they thought about certain things, including our marketing program, including our floor price program I put the question that was raised yesterday as to whether we should call a marketing conference with the provincial departments of agriculture. I put that to them, after having stated that every provincial minister, with one exception, who had attended a meeting with me in my own office, had opposed the holding of such a conference. One minister did not happen to be there the last day, as he had gone home the night before, the minister of agriculture of my own province. He was not there when this question was put and he might have voted the other way, although he did not show much sign of that before he left. I said:

> Is there anyone here who thinks we should not call the conference next year?

This was the same conference we had been having for 17 years. Nobody said anything, so I then said:

> Stand up if there is.

No one stood up. I said:

> Well, it is quite apparent that you agree unanimously with the other two meetings that this conference should go on.

Then I asked if anyone thought that after having a meeting in December and determining among ourselves what was the policy that ought to be followed, it would be a good thing to announce that we were going to have another conference next July.

One only has to state the position to know how foolish it would be. You hold a conference in December, seeding occurs in April, you send out messengers all over the country to indicate to the farmers what you think the condition is, and depend on the farmers making a decision before seeding. Then right in the middle of the period, or long before we have reached the middle of the period, we announce from this house that we are going to have another conference to determine what they should seed. Anyone who is so uncertain in the opinion he has with regard to anything should not try to advise others.

So the conference decided that if we were going to have another conference it ought to be a conference of the ministers of agriculture from the provinces, plus any officials they wished to bring with them. That conference would meet in Ottawa with myself as minister and with some of our officials to go over our plans behind closed doors, and then make an announcement later on whether we thought the plan as we had laid it out last December had been fully successful in preparation for our next December meeting.

The ministers determined that there were two things that they wished to discuss. One was the question which was raised a few minutes ago by the hon. member for Dauphin. They have the idea, which they have expressed clearly, that drainage and other

problems having to do with flooding, so far as they affected farm lands, so far as they affected soil conservation, ought to be carried on by the provincial departments of agriculture. That was their opinion, I am not stating it for the first time, as it has been in the press for the past three or four years and they still talk about it every time we meet.

They wanted to discuss that question. They thought questions relating to the conservation of soil, matters concerning the head-waters of streams, at least ought to be looked into by the departmental officials of the different provincial departments before anything was done to change the situation which exists or to determine what ought to be done.

I am quite sure it does not make much difference which department it is under here; whether it is under the department of agriculture or the department of resources, an opportunity would be given to the provinces, if they desire it, to make known their opinions before anything is done. That is one thing they wanted to discuss.

The other had to do with marketing, but not marketing as is in the minds of some people here. Ninety per cent of most farm products is marketed in Canada and most of it in the provinces where it is produced, and the authority that has the most to do with that marketing is the provincial authority. It is only when the provincial authority does not perform its duties in connection with marketing that there is very much difficulty.

Nobody ever hears anyone complaining about the province of British Columbia not having over the last 20 or 25 years taken care of its marketing problems in connection with farm products. The only thing one did hear in those days was that you could not find a more socialist government anywhere else in the world than they had in British Columbia. They even put policemen on the bridge on the way into Vancouver to check everybody who tried to take food into that city, to see whether or not they were living up to the regulations.

Some of our people called that socialism. That is not socialism at all. Even some of the so-called socialists do not really know what socialism is. That is not necessarily socialism at all. They did start that way in British Columbia. They established the legislation; they carried it through the courts, and it was declared ultra vires. They took it to the privy council, and had it declared ultra vires. They finally provided legislation that went right through to the privy council and was declared to be intra vires. They have been acting under that legislation ever since.

Now the province of Ontario has, I think, some 20 boards set up under similar legislation. The province of Nova Scotia has a number of boards set up under similar legislation. Some of the other provinces also have boards; New Brunswick and Prince Edward Island. The only province that I am absolutely sure does not have them at all is the province of Saskatchewan. We have these people sitting on the other side of the house trying to advise all the rest of us all over Canada what we ought to be doing in connection with these boards, and they have not been able to prevail upon their own government in their own province to set up boards on their own account in order to carry out marketing.

The question they want to discuss is the legal relationships between the provinces and the federal government. We said to them we would have that conference just as soon as we could get them all together. We tried to call it in January before this house met because, as everyone in the house knows, Ontario has taken a chance by putting legislation on the statute books that it is not absolutely sure will stand up in the courts, and so has asked us to assist it in getting that legislation before the supreme court. It has been brought before the supreme court.

They are suggesting, as did the federation when they were here last month, that if that legislation does happen to be declared ultra vires, this government should take some action in order to do what we must be able to do if that province is not able to do it. We have given them assurances that we shall give it consideration. We have not said we will do it, as we must bring these matters to this house; we have said we shall give it consideration. We have called the conference for April 19.

That is one thing, but I have here a presentation made by the federation of agriculture to the federal government on February 14, 1956. I hope I am not going to be out of order in indicating to the house what was stated to the government by this organization. They say, on page 3:

> It cannot be argued that the position of the Canadian farmer is due to the effects of overprotection of their industry, or of excessively high support prices, but rather is the result, in part, of a world situation of which Canada, as an important agricultural exporter, feels the direct and immediate impact.

Then they go on to deal with different products that are produced by our farmers and they come to the dairy industry:

> There is probably no industry in which regularity and stability of supplies and prices is more important than in dairying, both from the point of view of the producer and the consumer. The butter support program which has been in operation for a number of years has provided this regularity and

stability, at very reasonable prices, and in addition has sharply reduced marketing margins in the case of butter. Moreover, the whole program has been relatively inexpensive. It is therefore difficult to understand why the program should be under such constant and sustained attack from certain quarters.

However, it is not our intention today to open up a full scale discussion of this question—but merely to register our wholehearted support of the government's policy, and to express the opinion that the consequences would be disastrous to the dairy industry and harmful to the consumer if the present butter program were not maintained.

The Canadian Federation of Agriculture therefore strongly recommends that the 58 cents floor price on butter be not only continued but established in advance for a further two-year period.

If anyone wants a stronger endorsation of that policy I should like to hear it, because they could not have said anything that pleased the government more, even though it may not have pleased the opposition. Then they go on further and say this, and I think this was said by someone yesterday, though I am not too sure by whom:

To allow Canadian producers to fully develop the market for these products—

That is, dairy products such as cheese, milk powder and so on.

—without risk of having their position seriously undermined by imports carrying abnormally low import duties, the federation of agriculture recommends that the special tariff agreements with Australia and New Zealand be revised to raise the present nominal rate of duty on cheddar cheese to an effective level, and to bring the duty on dry skim milk from those countries to 3½ cents per pound.

It goes without saying—and they refer to it, as a matter of fact—that no member of the government could give them a decision on that question at the time of that meeting. I suppose no one, not even a member of the government, can give a decision until the Minister of Finance brings down his budget and lets us know what he thinks about it and what the government, through him, thinks about it. But that is one representation they have made. I am not wanting to pass up those which are not in absolute accordance with our policy, but there is one about which I think I should say something:

First, it is suggested that the government of Canada encourage, and assist financially, the development of programs to regularly provide milk to children in primary and secondary schools. This is a policy which should be adopted for reasons of public health, quite apart from the admitted assistance it would give to the dairy industry.

Again I point out that that policy can only be started in the province. The provinces have the administration and handling of the schools and milk, and, so far as I know, no province has indicated up to now that it is prepared to go ahead with that policy. I would suggest to my friends from Saskatchewan, having all the influence they have with the government there, that they might make a start there instead of starting down here.

Mr. Studer: They might use butter instead of margarine.

Mr. Gardiner: Someone has said they might use butter instead of margarine. The minister in that province said last session that it would cost them $25,000 to put butter instead of margarine into the government institutions, and therefore he was not going to do it.

Mr. Studer: Shame.

Mr. Gardiner: Now we come to the marketing situation:

One of the organized means by which farmers are grappling with their own marketing problems is the use of producer-controlled marketing boards employing legislation to give legal status to their regulations. Boards have been in operation for many years in some of our provinces.

I mentioned this a moment ago.

In Ontario there is currently a great deal of new development along these lines. And in all of Canada farmers expect that the years ahead will see the continued development and improvement of this type of marketing organization. It is necessary to emphasize, therefore, the very great importance that attaches, both immediately and in the future, to the need for clearing away any constitutional obstacles which may exist to prevent the effective functioning of such boards. At the present time many of the most critical issues involved are embodied in a reference to the supreme court, and the court's views presumably will be known some time this spring.

The Canadian Federation of Agriculture wishes at this time to request that if the court rulings reveal that provincial legislation, together with the present federal act, cannot provide the legal authority necessary to make the functioning of producer boards effective, that the federal government take immediate action to introduce legislation that will make it possible for these boards to be adequately financed and to achieve as fully as possible their orderly marketing objectives.

All I am going to say about that is that when the federal provincial conference was held some weeks ago—not the conference held this last week—the provincial representatives who were here from Ontario met the Minister of Justice (Mr. Garson) and myself and went over all this legislation, and the Minister of Justice has assisted them in every way in getting it before the court and having its validity determined at as early a date as possible. Then it goes on to deal with grain and here is what they say about that:

The Canadian Federation of Agriculture therefore wishes to express its complete support of the Canadian wheat board system of marketing.

Some hon. Members: Hear, hear.

Mr. Gardiner: I will say "hear, hear" to that also. The only policy the government of Canada has in connection with the marketing of wheat is the wheat board. The

wheat board was set up by this government in its present form as a compulsory marketing board to handle the wheat of the farmer through a board to which the farmers are compelled to deliver their wheat. It was set up under this government in 1943. I know that my friends on the other side of the house like to say it was first advocated —in this house, I presume; it was advocated outside of it earlier than that—by the late Mr. Bennett, and it was. But again I repeat that when Mr. Bennett brought it into the house he had the biggest majority there ever was in this house prior to that time, and he was not able to put it through. He therefore withdrew it.

An hon. Member: He was forced to.

Mr. Gardiner: I hear some of my friends saying he was forced to yield. But I should like to see my friends opposite force us to do some particular thing under similar circumstances.

Mr. Drew: We did last year.

Mr. Gardiner: As a matter of fact there were so many men sitting on the government side of the house at that time who did not believe in that policy that Mr. Bennett was not able to put it through, and he made apologies for his own party later on. Nevertheless the legislation was put through in a particular form, and later on we found it advisable to make it a compulsory board.

That has been the policy of this government ever since. We have taken over the marketing of wheat by a wheat board which the farmers wanted. We have said to them, "Go ahead and market that wheat" and we have given them all the facilities and powers necessary to make it possible for them to market it. Again the Canadian Federation of Agriculture says that policy is the right policy and they are in agreement with it. It also urges that every effort be made to bring about a satisfactory renewal of the international wheat agreement. The minister concerned has reported on that matter to the house from time to time, and has indicated that everything possible is being done to bring about that result, although we are not in a position to state whether it will be successful.

Finally, on behalf again of our prairie grain producers, we would endorse the quota system of grain marketing,—

Again that was introduced by this government, through the wheat board of course, but before the wheat board had the power it has at the present time.

—with the request that this system be continued, and combined with a distribution of box cars as between shipping points that will make space available on an equitable basis.

Then they come down to feed freight assistance:

We would simply repeat our request that this policy be continued, and further ask that it be given full recognition as a permanent national policy by being embodied in special legislation rather than maintained by order in council.

That is another policy of this government which they support. They did not come here asking for something different on all these matters. They came here to encourage us to go on to do more, because we had been doing the things which the Canadian Federation of Agriculture thought ought to be done. They go on to deal with international trade arrangements, emphasizing the point they made with regard to dairy products. Then third they recognize the wisdom of individual countries, including our own, so managing their domestic affairs as to keep to a minimum the necessity of imposing import restrictions or selling export surpluses at less than domestic prices.

Then they go on to support the government marketing some of this butter—the small amount they have in addition to what is needed here—outside of this country. Then they deal with farm credits, and they say this:

This second statement of policy which we are presenting for your consideration at this time deals with the subject of farm credit. This statement has already been brought to the attention of the Minister of Finance because of the fact that the legislation dealing with the Canadian farm loan board has been opened up and was due for early consideration by parliament.

That is another thing they agree with. Then they go on to say this:

There are a number of very specific recommendatains contained in this farm credit policy,—

That was put out in a separate document.

—and we will at this time mention only the major features. In general they are aimed at reducing the cost, and broadening and liberalizing the various provisions of our federal farm credit institutions.

Of course they go on to say they would like to have a lower interest. They think maybe the interest rate ought to be 3½ per cent, and they make strong representations to that effect. But the principle of the legislation which has been introduced into this house in order to provide credit for farmers, farm improvement loans and farm loans, which was in effect before this present government came into power, and which has been changed somewhat since—they are in favour of all those policies and simply say they would like to have a lower rate of interest upon them, if that is possible.

To establish a policy for providing emergency or disaster credit on an interest-free basis where the nature and extent of a farmer's loss justifies the granting of such credit.

That was their final request, and they went on to refer to something that was taking place in the province of British Columbia, where strawberry plants had been frozen and where other difficulties had arisen. Again it has been pointed out to British Columbia and to others that legislation of that kind should originate in the provinces. The federal government has not said what assistance it would give if such legislation were passed. They have left it in the hands of the provincial governments to determine whether they are going to do anything and what they are going to do in order to meet the situation before the federal government says anything with regard to it.

That is the presentation in so far as agriculture is concerned. They have dealt with other matters such as radio, television and so on, but I am not going into those matters. What I wish to say to the hon. member for Prince Albert is this. If he thinks, as he did back in 1941, that this government ought to follow the policies which are supported by the Canadian Federation of Agriculture; if he will go back and read those policies now and check up on what has been done by the federal government since then, if he will then read this presentation he will find in it only commendation for the government for what they have done. There is no criticism of the policies that have been put into effect but only commendation for what they have done, and then suggesting a few ways in which it might be possible to improve upon the action taken.

If my hon. friends do not find that strong enough, and if they think that Mr. Hannam was speaking to the government and therefore might not have said that to his own organization, I read you just this from his speech to the Canadian Federation of Agriculture:

> Our present butter program is a case in point.

This is after having indicated the things that have been done.

> It is difficult to conceive of a farm program that is more considerate of consumers and taxpayers interests than this one.
>
> It maintains a ceiling for consumers at about 64 or 65 cents retail, when without it the price of butter might easily go to 80 or 90 cents in winter months as it did several years ago when the board held no stocks. It has not lowered quality. It has cost, on the average, less than $1 million a year—

That was indicated by the hon. member for Brant-Haldimand (Mr. Charlton) yesterday.

> —yet spokesmen for consumers and taxpayers are advocating an alternative type of support program designed to lower the price to the consumer while still maintaining 58 cent support for the producer. They have not explained that, if that type of program were adopted and it succeeded in a substantial lowering of the retail price of butter, it would probably cost the treasury up to $10 to $20 million each year.

In other words, he is supporting the government policy there.

Mr. Cardiff: Would the minister allow a question?

Mr. Gardiner: Yes.

Mr. Cardiff: Did the minister write Mr. Hannam's speech?

Mr. Gardiner: Well, that is just another way of saying, Mr. Speaker, that the president of the federation of agriculture is in such close agreement with the policies of this government that my hon. friend thinks I must have written his speech. Of course, Mr. Hannam comes from the same part of the country as my hon. friend, and he knows that nobody up in that part of the country, not even the hon. member, would allow anyone to write his speech for him.

The suggestion has been made that we should have parity prices. It has been suggested that the federation agrees that we ought to have parity prices. I have in my hand what the federation has agreed to, and what they have said we ought to do. They were in favour of having a mathematical formula worked out which they thought everyone might be able to understand and from which we would arrive at support prices for our different products. In order to explain what they had in mind, they said this:

> Calculation of modernized basic prices (calculated according to the formula recommended by the C.F.A. national farm policy committee.)

It was passed eventually by the federation itself meeting in Edmonton last year. They illustrate here the way it works. The average price of No. 1 wheat, Fort William, 1943-44 to 1952-53, $1.75; index of wholesale prices of farm products 1944-53, 150·9. Then, 1925-29 being taken as 100, cost of commodities and services including living costs, western provinces, in 1953 equals 176·3; then the basic price for wheat, 1954-55 equals $1.75 multiplied by 100 over 150·9 times 176·3 over 100 equals $1.16 multiplied by 176·3 over 100 or $2.05 a bushel, and that is parity. They say the range that should be acknowledged in setting support prices should be from 65 to 85 per cent of the basic price, which would be from $1.33 to $1.74 per bushel, basis Fort William. The floor price which is set, and has been set for years, is $1.40, which is between those two prices of $1.33 and $1.74.

Well, they worked out another one here, and I am not going all through it as I did the first one. It is for good steers. When they finish the calculation they say that parity

price should be $23.06. I think that is very close to the price that was worked out by the farmers' union when they were here a week or two ago. Some hon. members were quoting from the farm union brief. Unfortunately for the farmers' union, as compared with the federation, the farmers' union says that floor prices ought to be parity prices. In connection with the $23.06 the federation says the range of floor prices ought to be anywhere from 65 to 85 per cent of the basic price, or between $14.99 and $19.60 per hundred. When I first read this document, that is exactly what beef cattle were, $19.60, the highest price at which they said there should be a floor. It has been up a little and it has been down a little since, but generally speaking that floor is satisfactory to them.

I have a list here of the calculations for the different products we were talking about. I have already covered wheat and I have covered steers. Eighty-five per cent of the steer price at Toronto is $19.60. That is not the price at the moment, but that is the price stated here as being the top floor price. As a matter of fact, when the federation concluded with this they said they did not want floor prices on cattle. The floor price is worked out here on this sheet, but they say in the statement that they do not want floor prices on cattle.

Why do they say that? They say that because they agree with the government that the floor price we have now is the highest price you can obtain anywhere in the world; it is the price you can get by shipping cattle over to the United States. Anyone who wants to ship cattle there can do so. They say that ought to be the floor price on cattle. We agree with that and we have not attempted, except when we had foot-and-mouth disease in the country, to put a floor price under cattle.

Coming to hogs we find that 65 per cent of the basic price for grade B hogs is $19.99 and 85 per cent is $26.55, while the floor price for grade A is $23 at Toronto or Montreal. We are very close to the middle point, which is $23.07. Again the support price is much as they think it ought to be and as we think it ought to be.

Then we come to butter, upon which they have already expressed themselves, and I would not comment any further on these prices if it were not for filling out the table. We find that they calculate 65 per cent of parity to be 45·6 cents and 85 per cent of parity to be 59·7 cents. Our floor price is 58 cents. Canadian cheese works out to a range of from 23·1 to 33·3 cents, and I believe that today cheese is 33 cents if I read the market correctly this morning. This has been working along fairly well. We put up the 24-cent guarantee and the provincial government of Ontario puts up 6 cents, which makes it 30 cents.

There is a calculation for grade A eggs, Montreal, and a price of 41 cents is 65 per cent of parity and 85 per cent of parity is 53·6 cents. The support price we have established is 38 cents on December 1, for any eggs that are in store. Last year the price throughout the season was higher than this price at which we were stabilizing the price.

Now, I say that is the plan which has been worked out by the federation of agriculture, and I think it should be agreed that it is pretty well in line with what we have been doing by another method. There is one other matter that I think should be touched upon. A lot has been said about these income figures.

I am going to read a statement I got from the department as to what these figures mean:

The Farmer's Share of the National Income

There are no figures anywhere—

This is not my statement; this is a statement I got from the department.

There are no figures anywhere to show what the farmers' share of the national income actually is.

Mr. Nicholson: Why are there not?

Mr. Gardiner: That is a very good question. They tell me one of the reasons is that it would be a little costly. What I am going to ask you is, where did you get the figures you quoted? That is the purpose of reading this.

Mr. Knowles: From the bureau of statistics.

Mr. Gardiner: I continue :

The figures published by D.B.S. show:

1. Income derived from sale of farm products;
2. Income earned as wages and salaries, and
3. Income from various types of production.

The income of farmers, like the income of many other people, is derived from various sources. These are:

1. The sale of farm products;
2. Salaries and wages earned at non-farm work.

This is in brackets.

(In the United States it is estimated that more than one-third of the income of farmers comes from non-farm sources.)

3. Income from investments. Many farmers have considerable sums invested in farm mortgages, in bonds, life insurance, and many other forms of investment. Income from these sources is not farm income in the normal sense but investment income.

4. Income in kind and rent free housing. Farmers use their own food and live in their own houses.

Farm income figures published by D.B.S. attribute much lower values to these items than are actually paid by urban dwellers.

5. The income of hired workers on farms is not listed as part of the farm income but rather as wage and salary income. It is estimated that there are approximately 80,000 hired men on Canadian farms. They probably earn $150 million a year. The hired men and their families, if any, are part of the farm population, but their income is classified properly with salaries and wages.

In the census returns any person living on an acre of land or more and deriving $250 or more from the sale of farm products is classified as a farmer. Farms of this sort probably make up one-quarter of the total number of farms listed in the census returns. The people concerned live on the farms, produce much of their own food but earn their cash income by other types of employment; many are persons who have retired on pension. The pensions are income but they are not listed as part of the farm income.

All of these facts prove beyond a doubt that the so-called farm income is not the equivalent of the income of farmers. Hence arguments based on the proposition that the farm income makes a smaller proportion of the national income than the farm population makes of the national population are fallacious.

And should be corrected.

Mr. Diefenbaker: Who prepared that statement?

Mr. Gardiner: It was prepared in the department.

Mr. Knowles: Which department?

Mr. Nicholson: Did the minister try to get figures from the Department of National Revenue?

Mr. Gardiner: I will give it to you, and it will do you good.

The fact is that farms vary enormously in their earning power from area to area and from farm to farm.

Mr. Charlton: On a question of privilege—

Mr. Deputy Speaker: I understand the hon. member for Brant-Haldimand is rising on a question of privilege.

Mr. Charlton: If it is not a statement of the minister it is written outside the house. How can the minister read that statement in the house if it was produced elsewhere?

Mr. Gardiner: For the same reason that my hon. friend read a statement prepared—

Mr. Deputy Speaker: As I heard the extract which the minister read it did not comment on a proceeding within the house. That is the differentiation.

Mr. Charlton: I understand it does.

Mr. Argue: He said the arguments were fallacious.

Mr. Gardiner: It is exactly the same kind of statement as my hon. friend was permitted to put on the record last night, and I am going to have it corrected.

Mr. Drew: Mr. Speaker, surely if the minister is going to read something into the record he has an obligation to indicate the source of that statement so that hon. members may know where it comes from. That is a most elementary requirement of a statement of that kind.

[Mr. Gardiner.]

Mr. Gardiner: Mr. Speaker, probably the only obligation I am under is to accept responsibility for it myself, and I will.

Mr. Drew: Mr. Speaker, that is begging the question. It is like the treatment the minister accords this house on other occasions. He is reading a statement prepared by someone else, and we have the right to know who prepared the statement.

Mr. Knowles: Can we not have it clear what department prepared the statement? The minister keeps talking about a department, but he does not say what department.

Mr. Gardiner: This was prepared in the Department of Agriculture.

Mr. Knowles: Prepared for the minister by his department.

Mr. Gardiner: By the department without any help from me at all.

Mr. Nicholson: Mr. Speaker, whoever prepared this document, it questions the integrity of hon. members who referred to the share of the national income which has gone to the farmers. Those of us who have used figures have used statistics prepared by the dominion bureau of statistics. I suggest the minister is quoting a statement made by someone outside the house, and he should indicate who is responsible for it.

Mr. Drew: Mr. Speaker, there is another point—

Mr. Deputy Speaker: Order. Perhaps I should clear up immediately the point of the hon. member for Mackenzie that there was some question as to the integrity of hon. members. I did not take any such interpretation at all from the minister's remarks.

Mr. Drew: Mr. Speaker, a point has arisen here which—

Mr. Deputy Speaker: Order.

Mr. Drew: A point has arisen here which cannot be passed over. The minister at this stage now says that this was prepared in his department. If that is the fact, then he is doing something most improper, because he is attributing to unnamed members of his department attacks on statements that have been made in this house. That is a most improper thing. If he is doing that he is undermining the position of the civil servants in his department. The minister can make this either as his own statement, or else give us the name of the person in his department who made this most improper statement.

Mr. Deputy Speaker: Order. As I understand it, the minister even before the Leader

of the Opposition rose to his feet, had accepted full responsibility himself for the remarks he is making.

Mr. Drew: No.

Mr. Gardiner: Yes, I did.

Mr. Drew: This must be now clear. He did not accept full responsibility beyond—

Some hon. Members: Yes.

Mr. Drew: —saying that it had been prepared by someone in his department and that he had accepted responsibility for presenting it here after it was prepared by someone in his department.

Mr. Gardiner: I said more than that.

Mr. Drew: If it is some civil servant making improper comments, then it is unfair to the civil service unless the minister is prepared to tell who it was.

Mr. Deputy Speaker: Order. Perhaps the accuracy of the memory of the Leader of the Opposition and myself will be clarified tomorrow. My memory is that the minister accepted full responsibility for the remarks which he was making.

Mr. Gardiner: And more than that, Mr. Speaker. The remarks that my hon. friend was speaking of were not read from this, as he knows. The statements I made to hon. members over there were made by me—

Mr. Fulton: Mr. Speaker, on a point of order, which is related to the other point, I question whether it is in order for the Minister of Agriculture to be standing up in this house, as I now understand he is, and denying the accuracy of the figures produced by the bureau of statistics in the department headed by his colleague the Minister of Trade and Commerce. That is what he is doing.

Mr. Gardiner: If I had not explained it before—

Mr. McCullough (Moose Mountain): On a point of order—

Mr. Gardiner: I have the floor.

Mr. McCullough (Moose Mountain): On a point of order, last evening I put figures on the record which were taken from the bureau of statistics. The minister rose in his place and asked me where I had secured the figures. I gave the source of the figures. Today the minister is questioning the figures that were put out by the government, their own statistical figures. I think, sir, there is a point of order here. The minister is not saying anything further than that he is taking the responsibility for these figures. He should tell the house the source of the figures and the authority for them.

Mr. Gardiner: On the point of order, in view of the fact that I am not allowed to rise unless I speak on the point of order, apparently, the statements I have read are statements that were prepared for me in my own department. I have not any doubt they were prepared with the assistance of members from other departments. The reason they were prepared is this. I know that the interpretation that is being put on the figures by members on the other side, particularly the C.C.F. group, is not correct. That does not mean the figures are not correct because they have been. The interpretation C.C.F. members are putting on the figures is not correct.

Mr. Charlton: The minister is a past master at that.

Mr. Gardiner: The statement continues:

> The fact is that farms vary enormously in their earning power from area to area and from farm to farm. It has long been established that about 40 per cent of the farms as listed in the census earn about 80 per cent of the so-called farm income. Other people who are listed as farmers in the census earn their incomes from such a great variety of sources that up to the present time it has been impossible to devise any method of estimating with even approximate accuracy what their incomes actually are.

Mr. Nicholson: That is nonsense; they are doing that in the United States all the time.

Mr. Gardiner: If my hon. friend will allow his mind to go back to the time when I last addressed this house, I gave the plan they used in the United States and they make out a net worth return which gives the figures. You do not have that here.

> It is understood that plans are being made to make a study of the question in the hope that more accurate estimates of farm and other types of income may be made.
>
> Gross income from the sale of farm products is determined by (a) the volume sold, and (b) price levels. In recent years income from the sale of milk and milk products in Canada has remained remarkably stable or has risen somewhat. On the other hand, income from the sale of wheat has declined heavily because of the low volume and low quality of the wheat produced in 1954 and because of a slower rate of sale than in the years between 1948 and 1953 when accumulated surpluses and heavy current production were both liquidated.
>
> Meat prices reached abnormally high levels in 1950 and 1951 but declined sharply in the latter part of 1951. Beef prices have been relatively stable in the last three years, but pork prices have fluctuated fairly widely, mainly due to similar fluctuations in the United States pork markets. Income derived from the sale of poultry and eggs has been maintained by rising volume of sales and price levels which, though subject to seasonal fluctuations, compare favourably with those of the late 1940's and early 1950's.

Economic Position of Agriculture

Prices of fruits and vegetables, especially apples and potatoes, have varied from very high to very low levels. Because both products are highly perishable prices have been subject to short-term supply and demand factors. For these products, as well as for eggs and dairy products, support prices and marketing agreements have cushioned price declines and have helped materially to maintain farm income.

Well, that is the federal document; but since my hon. friends will not accept statements from my department I will read them one from the government of Saskatchewan.

Mr. McCullough (Moose Mountain): Would the minister put on the record the amount of fluctuation in hog prices since 1952?

Mr. Gardiner: Would my hon. friend repeat his question?

Mr. McCullough (Moose Mountain): Would the minister care to put on record the fluctuation in hog prices from 1952?

Mr. Gardiner: I will do that when I am discussing my estimates. You will understand it better then.

Mr. Ellis: A one-man filibuster.

Mr. Gardiner: I come now to the report which we found so valuable this session. It is a report of a royal commission of the province of Saskatchewan on agriculture and rural life.

An hon. Member: Page?

Mr. Gardiner: Page 6, quite early in the report. Incidentally, I have read it all since it was here last. It is a very good report taken all in all.

Mr. Argue: Do you agree with it?

Mr. Gardiner: I do not agree with everything that is in it but there are some things with which my hon. friends do not agree either.

Table 1 on page 6 gives the average net farm income per farm operator in Saskatchewan for selected years from 1926 to 1954. I am sure that my friends in the C.C.F. group and all other hon. members in this house will agree with one thing and that is that there is no province in Canada that suffered more during the last two years because of a drop in income than did the province of Saskatchewan. It suffered more than any other province for several reasons—

Mr. Ellis: Federal government policies.

Mr. Gardiner: It is the only province in Canada where there is a socialist government.

From 1926 to 1954 the figures are given for every five years so it will not be a long table. I should like to ask permission to place it on the record when I have finished with it.

[Mr. Gardiner.]

AVERAGE NET FARM INCOME PER FARM OPERATOR, SASKATCHEWAN, SELECTED YEARS, 1926-1954

Year	Net Farm Income Per Farm Operator
	$
1926	1,416
1931	-225
1936	79
1941	505
1946	1,702
1947	2,040
1948	3,132
1949	3,280
1950	2,349
1951	4,936
1952	5,169
1953	4,450
1954	1,194

In 1926 the average net income for the farmer was $1,416. Someone said yesterday the figures for 1931 should be given when an hon. member was giving the house certain information. I have here the net farm income per farm in Saskatchewan for 1931, minus $225. That represents $225 worse than nothing.

An hon. Member: Any questions on that?

Mr. Gardiner: This government came into power in 1935 and the next year, 1936, the net income was $79 per farm.

Mr. Ellis: With the Liberal government in power.

Mr. Gardiner: Yes. We had been in power for only one year and it has taken the present government of Saskatchewan much longer than that to get over the difficulties of 1954.

Five years later, in 1941, the net farm income was $505 per farm. In 1946, the year after the war, it was $1,702.

Mr. Ellis: There was a C.C.F. government in Saskatchewan then.

Mr. Gardiner: Yes, in Saskatchewan, but not here. Then in 1947 it was $2,040. This table gives the figure for every year from there on but I will not read them all.

Mr. Argue: Oh, go ahead.

Mr. Gardiner: I will come down to 1951, however, when the income was $4,936 per farm. Based on the kind of reasoning we have listened to in this house, that represents more than 100 per cent increase from the year before. It was $2,349 the year before. In 1951 it was $4,936. In 1952 it was $5,169. In 1953 it was $4,450, or an average for the three years of $4,850.

Before going on to give the figures for the next year I would like to ask the house one question. If we are concerned about keeping young men on the farms, if we are concerned about attracting people to come here to work on the farms, which would we go about the country repeating, the figures of 1954 when we had a rusted crop and great

difficulties in getting rid of a poor crop, or the figures for the three years which I have just read? I have known people who have come from Holland and settled on farms in this country who have made $16,500 in clear cash in six years. They have rented buildings and bought all the grain they used for feeding. Those fellows are not going to run back home and tell the kind of stories hon. members are telling in this house concerning farm conditions; they are going to tell their stories regarding the three high years if they desire more of their people to come here.

Mr. Nicholson: Where did that happen?

Mr. Gardiner: That happened in Nova Scotia.

Mr. Argue: One case in Canada out of 600,000.

Mr. Gardiner: May I ask my hon. friends again this: If they want the young men of this country to stay on the farms, should they go around telling them that the average income is the income of 1954, and that that is where it is going to stay? Should they not be telling them that it averaged $4,850 a year for three years in Saskatchewan, and at least that much in some other places? Are you going to tell them that with the idea of getting them to go out to the farms to stay there? The hon. member for Mackenzie (Mr. Nicholson) told us yesterday about paying a visit to his home in Bruce and finding only old people on the farms there. If he repeats the stories up there that are repeated in this house I wonder if even the old people will stay on the farm. Certainly the young people are not likely to stay.

Mr. Nicholson: Is the minister suggesting seriously that farmers are getting a fair share of the national income?

Mr. Gardiner: We will come to that; I shall have more to say about that and when I come to it you will not like it. This table indicates that hon. members who come here from Saskatchewan, some of whom are not farmers and some of whom are farmers, are telling the young people of this country that conditions are just terrible on the farm. Anyone who has lived on a farm knows that in connection with wheat the situation has not changed, in so far as having good and bad years is concerned, from the times of Joseph. Even then they prepared in the seven good years for the seven bad years. You can grow No. 1 hard wheat only in a dry country, a country similar to our west. When you live and farm there you must prepare for the poor years in the good years. There have been three years when the average income has been $4,850 a year. All my hon. friends talk about is 1954 when it went down to $1,194, but it is still higher than it has been in any other year during that long period except when you had a Liberal government in power.

Those are the facts taken from that table; they are not facts coming out here. They are not facts put out by this government, they are facts put out by this commission which sat in Saskatchewan.

Mr. Deputy Speaker: I understand that the minister will require permission to place this table on *Hansard*. Has the minister unanimous consent?

Some hon. Members: Agreed.

Mr. Argue: Print the whole report.

Mr. Gardiner: You will find it difficult enough before you are through with it without having it printed here.

Mr. Argue: I had nothing to do with it.

Mr. Gardiner: Someone said something about the farmer having his proper share of the income.

Mr. Ellis: Give us the 1954 figure.

Mr. Gardiner: I gave the 1954 figure, $1,194.

Mr. Argue: And 1955?

Mr. Gardiner: 1955 is not out yet, at least they do not have it. I am giving the commission's figures.

Mr. Argue: The estimate for Canada is lower than for 1954.

Mr. Gardiner: No, it is not.

Mr. Sinclair: If you are a farmer you look awfully prosperous from here.

Mr. Gardiner: I have here on my desk the official publication of the C.C.F. party and they have classified the population of Canada. They show the number of families of working classes at 815,000. This was based on the 1931 census.

Mr. Nicholson: What is the minister reading from?

Mr. Gardiner: "Make This Your Canada".

Mr. Nicholson: What year?

Mr. Gardiner: It was published in 1943 with a foreword by your leader.

Mr. Sinclair: Shortly after the Regina manifesto.

Mr. Gardiner: Families of farm classes are given at 598,700. Those figures indicate that 42 per cent of the population is made up of working classes and 31·2 per cent of farm classes. Middle classes, including small and medium business people, professional, technical, managerial, white collar workers and independent industrial workers, 492,000 families. Those total 1,905,700 families, which they say is 99·4 per cent of the total population.

The next class is the $10,000 a year or more, including finance, industry and professions, 10,500 families, or 0·06 per cent. Among those are the 50 big shots. I wonder if my hon. friends have forgotten all about the 50 big shots. What is the reason why we do not hear any more about them? I would like to ask my hon. friends if the C.C.F. now think that all groups but farmers should be taxed in order to give the farmers more? Is that their present policy? Do they think that all these other people, labourers, middle class and others, should be taxed in order to give the farmers more, or are they only talking about the 50 big shots? Are those the people they are going to tax in order to get more for the farmers?

I do not think that the C.C.F. have been so keen on getting things done, as they should be done, as they try to make out in this house or even outside of it. There is one industry in Saskatchewan which is known to make more money than any other industry there. The government buys all its products and sells all its products. They have not nationalized that industry during the whole period of eleven years they have been there. Why haven't they?

The hon. member for Winnipeg North Centre (Mr. Knowles) asked the Minister of Justice (Mr. Garson) yesterday if action was going to be taken against the producers and distributors of beer in Canada. The only organization that produces and distributes beer in Saskatchewan is the organization which sells beer to the government of Saskatchewan. With all their plans about nationalization and getting industry started which will make money they seem to take a lot of time in dealing with one industry. If they did it would pay more in the way of assistance to farmers and others in Saskatchewan than any other industry they could start with.

In addition to that, my hon. friends' friends are now bringing a cement corporation into Regina to make cement out of Regina clay. I have some doubts whether cement can be made out of Regina clay. I have some doubts about a policy which would ship rock all the way from Winnipeg to Regina in order to make cement. I have some idea about who the persons are who are going to organize this. It is not going to be a government owned and operated organization. These men who object to bonds being guaranteed to build a gas pipe line across Canada are not opposed to bonds being guaranteed by the government of Saskatchewan in order to put up a cement factory out there. All these things were not in this handbook I have here in my hand.

Mr. Knowles: Are you giving credit to Arthur Blakely?

Mr. Gardiner: I had it in my mind long before Arthur Blakely knew anything about it.

Mr. Ellis: Give us the whole story.

Mr. Gardiner: The fact of the matter is that they are going to try to start a factory to make cement, and it is not going to be the government that is going to do it.

Mr. Ellis: The Liberals opposed it.

Mr. Gardiner: The Liberals will take care of you when you come around.

An hon. Member: That is a joke.

Mr. Deputy Speaker: Order. It seems to me that we are now wandering a little far from the subamendment that is before the house, which reads:

"in such a manner as to provide for a fair share of the national income for agriculture".

Mr. Gardiner: Yes, Mr. Speaker, perhaps I have wandered a little far, but I have been trying to find out where they have to go to get the money to give effect to the amendment and whether they have forgotten all about the old policies they had when they first came here. I presume that they are comparing the position today with that in 1951. As I have said before in this house, there has been a constant increase in the farmer's income from 1931 up to the present time, and most of that has taken place in the years when this government has been in power. I still repeat that. But there is one year in which it went up much higher, 1951, and in some provinces it went up still higher the next year. Are my friends advocating that we should return to the conditions we had in 1951 and 1952 in order to give us that higher return?

There is only one reason why we had that high return in 1951 and 1952, and that is that we were at war in Korea. There is no other reason. There is only one reason for the increased cost of farm implements, and that reason is the preparations that we made for defence while we were at war in Korea and the preparations we are making for defence now. So, if my hon. friends are in the position where they are thinking in terms of how we are going to balance these things, then I would suggest to them that, in order to follow the plan they have been following in their speeches, they will have to depart entirely from the program they had before them when they came to this house about 20 years ago. What was that program? Absolutely no part in any defence program. As a matter of fact, I heard members on the floor of this house say they were particularly pleased that their sons had come to them and

said they would take no part. That is not the policy that is being talked of today.

If members on the other side of the house actually disagree with the policies of this government, which result in high expenditures in order to keep up defence, they ought to get up and say so, as they did before these policies were put into effect some years ago. This government has laid down a policy in connection with these matters. Of course, it is costly; it requires great taxation; it requires that farmers pay more taxes than they ever paid before across this country; and it requires, too, that costs of implements made out of steel, implements made out of aluminum, clothing made out of wool or any other fibre, all these are more costly in this country today because we find it necessary to carry on with those policies.

If my hon. friends are going to be honest with themselves and the voters in advocating their policies, they are going to come right out and say either that it should be done or it should not be done. I suggest to them that, if it should be done, there is not much possibility of changing the cost of some of the things that are made out of those materials. Those costs are going to stay up so long as it is necessary to carry on those policies. Neither this government nor any other government in a country so small as this in population can do very much about that, but we are hopeful that the policies of this government, the policies of the farmers in producing food for people throughout the world, and other policies will result in a condition of peace among the nations of the world that will make it possible for us not only to put down the prices of the things the farmer needs but make it possible for them to put them down.

An hon. Member: Are the farmers getting their fair share of the national income?

Mr. Gardiner: I ask my hon. friend what he now thinks about his 50 big shots. Where are they? What does he think about all the population that is off farms? Should they all be taxed to help the farmer out in these cases? Should we all be taxed? With that in mind, I am going to say to the house that I am going to vote against the motion, largely because of the fact that it has been tried out in the United States and voted out within the last few days.

An hon. Member: By one man.

Mr. Gardiner: It took 46 of them. He was just the forty-sixth. That in itself, it having been tried out in the great country to the south, is sufficient reason for me to say I am still going to carry on on the advice I got 15 years ago from the best officials we had in these departments at that time, to the effect that this policy would wind up just as it has wound up. They filled their caves with eggs, they filled their storages with butter; they filled their storages with wheat; and they had to crush their potatoes in piles on the ground in order to utilize them to produce starch, rather than food that could be consumed. All these things resulted from having the policy at that time, and I agree with the present government and the policies that have followed to the effect that that kind of thing is not a good thing to adopt in this country, or for the United States either for that matter.

Mr. Nicholson: I wonder if the minister would answer my last question. Does he consider the farmers are getting a fair share of the national income?

Mr. Gardiner: I have already said in answer to that question that I thought the farmer did require more than he is getting.

Mr. Argue: A lot of words to prove nothing.

Mr. J. A. Smith (Battle River-Camrose): In rising to take part in this debate on the amendment to the motion to go into committee of supply and on the subamendment, I do so with great pleasure. However, before commencing my remarks, I must pay my compliments to the Minister of Agriculture. As I mentioned in another speech, he is a wonderful man. He reminds me somewhat of the United States, of which we have had so much mention this afternoon. He reminds me somewhat of a great orator, shall I say, such as the late Senator Borah of the United States, or the late Huey Long.

We have been told this afternoon in a speech that took nearly two hours that the plight of agriculture in Canada is not too bad. With that impression, which the minister left with me, I must almost immediately take exception. I was very pleased that at the close of his talk the hon. member for Mackenzie got from the minister the statement that the farmers of Canada were perhaps entitled to a slightly larger share of the national income. With that premise before me, I propose to commence.

This amendment is one that should appeal to agriculture from Nova Scotia westward to British Columbia. It should appeal to the potato grower of Prince Edward Island; to the apple grower of Nova Scotia; to the potato grower of New Brunswick; to the dairy farmer of Quebec; to the stock man, the fruit producer and, shall I say, the tobacco raiser of Ontario; to the beekeeper of Manitoba; and now I come to Saskatchewan. I did have in mind to say the grain farmers of Saskatchewan but perhaps, as I followed the course of the minister's remarks so closely, I should say something about the cement farmers of Saskatchewan as well, the stock raisers of

Alberta, the fruit growers of British Columbia. This particular amendment appeals to all branches of agriculture. It is national in scope. It does not select any particular phase of the industry. It requests parity prices for agriculture generally throughout Canada. We are not any longer going to hear through the halls of this building, "We have heard enough about wheat; we have heard too much about wheat". Today we are pleading in the interests of agriculture throughout all of Canada.

To me this particular amendment is one that should transcend the realm of party politics. Apparently it did not do that. I feel that the plight of agriculture in Canada at the present time is something that should be beyond party political lines. History shows us, Mr. Speaker, what happens to great nations when the governments of those nations let agriculture go down. We have had a great deal of history this afternoon. We have been taken from 1930 right up to 1956. Let me go back a little bit prior to that. Let me go back to the good old Roman days. What happened to the Roman empire when they let their agricultural industry decay? It went down slowly and steadily to oblivion.

Mr. Knowles: It must have had a Gardiner.

Mr. Smith (Battle River-Camrose): Maybe they had a Gardiner but they did not have a guardian to see that that did not happen. Again, to come back to modern times, may I point out that students who have studied the cause of the great depression in the United States in the thirties find now that one of the first danger signals which pointed to this ever-approaching depression in the United States was the sorry plight in which agriculture found itself in the United States during the twenties. Also coupled with this danger signal we find that they say that the ever-increasing instalment buying of the people of the United States was another danger signal. Mr. Speaker, I submit that we have those two danger signals right here in Canada today. I am only sorry that our present government is not prepared to pay more attention to these signals that we have with us.

I was very happy in January to notice that the leader of the great republic to the south of us, namely President Eisenhower, in his message on the state of the union assured the farmers of that country that federal administration was prepared to see that agriculture remained a stabilized industry in the United States. I should be only too happy if the Prime Minister of Canada (Mr. St. Laurent) would come before this house with a similar statement.

We have gone back to 1951 already this afternoon, Mr. Speaker. May I take you back just once more. I want to take you back to December, 1951, and to the city of Saskatoon. I am quoting from a statement to be found in the Ottawa *Journal*. It is dated December 7, Saskatoon. The headline of this article runs in this way, "Howe reminds wheat farmer taxpayers raised $65 million". I will quote just a bit further from this article:

> Mr. Howe told the delegates: "You have asked the people of Canada for help on many occasions and it is not so long ago that the taxpayers came through with $65 million"—the reference was to the final payment on the five-year wheat pool.

Just in that connection, Mr. Speaker, I wish to put on the record once again a statement which was made by the hon. member for Acadia (Mr. Quelch) no later than yesterday. He had this to say, as reported at page 2034 of *Hansard:*

> I have in my hand figures showing the losses that were suffered under the British wheat agreement by comparison with the world market price for class II wheat in the years 1946 to 1950, during which period the farmers lost $431,676,844. Then as the result of subsidizing the Canadian consumer at the same price at which we sold wheat to Britain instead of at the world market price, the farmers lost another $136,920,921. If you add those two figures together you get an over-all total of $568,597,765. If you subtract that from that figure $65 million which the government paid to the farmers on account of their losses, you have a net loss of approximately half a billion dollars.

Still in 1951 one of the leading spokesmen of this government reminded the farmers of the west that the taxpayers of Canada had come through with a measly $65 million. Then coming right up to January of this year the same right hon. gentleman, namely the Minister of Trade and Commerce (Mr. Howe), has this to say or it is reported that he had this to say: "Booming economy sees good year ahead". Every branch of industry in Canada, according to the statement, is booming. The statement was supposed to have originated from the office of the Minister of Trade and Commerce. Every branch of industry in Canada is booming with the exception of one, and what is it?

> Agricultural income, down in recent years, appears to have about reached a current bottom.

Mr. Speaker, I noticed with great interest that the Minister of Agriculture (Mr. Gardiner) had searched through the records for evidence to advance showing that the farmers of Canada were not in favour of parity prices. He must have been working about the same time as I was because this afternoon I wish to submit evidence to this house which I believe will support the pleas for parity prices. These pleas that I am going to bring in here this afternoon have been made by every farm organization throughout Canada. In starting on this discussion I might point out that in western Canada we have an active and aggressive farmers' organization which is rapidly growing eastward

across Canada. I am referring particularly to the interprovincial farm union council. This interprovincial farm union council has for years been submitting briefs to the federal government. I do not want to start at 1951 because it would take too much time and I have not an hour and forty minutes at my disposal at the present time. I want to point out that this is the submission made to the federal government on March 16, 1953. In dealing with livestock marketing they had this to say:

> There is considerable evidence to indicate that our western livestock industry is lacking in required stability; this applies not only to cattle and hogs but also poultry and other livestock products.

That was a submission made to the federal government on March 16, 1953.

Again on page 5 of the same submission they have this to say:

> We believe that as long as there are millions of people in the world who are underfed, as evidenced by reports of FAO, that every encouragement—even emphasis—ought to be placed on an all-out production program to bolster dwindling supplies of much needed foodstuffs. However, if as a result of such a program surpluses are built up, then provision should be made that such surpluses—be they long or short term—are not allowed to interfere with the prices on our home market.

At the same time, the interprovincial farm council pointed out this:

> Farmers have often been penalized by even small temporary surpluses, and the export price of their products have determined the price on the home market even in cases where only a small percentage of the total production was exported, and the largest share of it used for home consumption.

We realize, Mr. Speaker, as the minister pointed out this afternoon, that the vast percentage of livestock raised in Canada is consumed in Canada. We can see no reason for the general decline in the price of livestock during recent years.

Again in May of the same year a submission was made by the interprovincial farm union council to the standing committee on agriculture and colonization of this house. They had this to say. I think this is the keynote of their submissions throughout the years.

> The prosperity of agriculture, like any other industry or individual, cannot be judged by any calculation based on gross receipts, but it is the farmers' net income or "take home pay" that really tells the story. While it is admitted that the gross income to the agricultural industry has been increasing, like all other major economic groups in Canada, the fact remains that the net income to agriculture has been decreasing, and, in spite of the higher than average production recently, we are concerned to find that the amount of agricultural improvement loans are, of necessity, rapidly increasing. The amount owing to finance corporations on purchases of various types, as well as the outstanding accounts to local merchants, are a further matter of deep concern, and we are somewhat fearful that the present prices and income to western agriculture, as our share of the national income, does not leave the farmers sufficient reserves to protect them from the natural production hazards to which the agricultural industry is annually subjected.
>
> We believe that some definite steps must be taken by the government of Canada to raise the basic prices for agricultural commodities, and particularly that portion of our production sold on our domestic markets and consumed in Canada,—

That was a submission made in May, 1953. Then again, the same brief deals with livestock marketing and says:

> To those who have made a study of the present unsatisfactory situation of livestock marketing, the need for some new and definite program on a national or regional basis for establishing a plan of forward pricing in order to give the necessary stability to this most important branch of agriculture is becoming more and more evident.

Now, Mr. Speaker, in November, 1953, the same body in their submission to the government of Canada presented the following, dealing with livestock markets. They were not dealing with the price of wheat, the shortage of box cars or the weather, but with livestock markets.

> The farm unions are very concerned with the lack of long range stability of our livestock markets. We fail to see any justifiable reason why livestock prices, particularly beef cattle, should have been so drastically reduced to farmers.

Then, farther down:

> "We note in this September's issue of 'Current Review of Agricultural Conditions in Canada', issued by the federal Department of Agriculture at Ottawa, that our own Canadian people consumed 95 per cent of our total marketings of cattle and that only approximately 5 per cent was surplus for export during the first seven months of 1953."
>
> Therefore, our own government publication provides conclusive proof that the so-called overproduction bogey, so often advanced by others as an excuse for lowering prices to farmers is a myth at this period.

Now, in February, 1954, the Canadian farm union council made another submission to the government and they said:

> We believe the government's floor price system is inadequate for the producer;

Now, this has been brought out time and time again during the course of this session, with particular reference to the floor price on hogs. The matter of whether or not that floor price is being maintained across Canada is of great concern to the people of western Canada. I continue to quote:

> —in many instances only the packers and processors have benefited by the government's support policy. A fundamental flaw in the present Agricultural Prices Support Act is the absence of a proper price formula for establishing floor prices.

What happens far too often is that the floor price becomes the maximum price paid for that particular type of goods. Farm machinery has been mentioned by the minister and he explained the reason for the price of farm machinery being so high. I cannot

say that I agree with the argument he presented. However, here is what the interprovincial farm union has to say about it.

Today, the greatest annual expense on most western farms is the replacement and upkeep of farm machinery. Mechanization, forced on the farmer by labour shortage, has placed him at the mercy of the machine companies. Prices on farm machinery have increased fantastically since price control was removed in 1946 and as is shown by information available to the public—

Remember that there was no war in 1946. At that time there was no Korea to be concerned about. We were one year removed from war and steel was not then going into the making of instruments of war. However, since 1946 price control had been removed and prices of farm machinery had climbed steadily.

Now, the minister seemed to like to quote from a brief which was submitted by the Canadian Federation of Agriculture. I hold in my hand a copy of the annual address given by the president of the Canadian Federation of Agriculture at London, January 26, 1954. This particular section which I am now going to read deals with price support. The president has this to say:

During my first few years of employment in the farm movement, I saw agriculture drop tragically into the worst economic depression in history. From a net income of $663 million in 1928 the Canadian farm income fell and dwindled to $117 million in 1933.

Just to remind ourselves of what was happening at that time, I wish to read further. The president quoted a press item that drew a picture of what was happening at this particular time.

In the autumn of 1932—

By the way, it seems to me the minister did mention something about the good crop we were able to raise in the west in 1932. I do not know whether he remembered that we received 19½ cents a bushel for the wheat in 1932 as well. Let us keep all these figures wrapped up together. I am not going to blame any politician, so let us get ahead.

In the autumn of 1932 oats were sold by farmers for 3 cents per bushel and wheat for 19 cents per bushel. A certain farmer brought 12 hogs to town and received in payment for the dozen animals a $10 bill. A farm woman brought a case of 30 dozen eggs to trade for one pound of coffee. The storekeeper told her that he had more eggs than he could sell and for her to take her eggs back home. Out of the goodness of his heart he gave her a pound of coffee.

Do we want to go back to that? It appears, Mr. Speaker, that we are heading toward that kind of position, and unless the brakes are put on soon we might get there a little quicker than we expect. Suppose we were to visualize a world living in peace, a world in which tremendous sums of money did not have to be spent on needed defence, as is being done at the present time. Let us visualize a world in which everybody is living peacefully and production is at an all-time level. Would we then find a way to get rid of our surplus agricultural products? We do know that today millions are hungry in the world. In Canada we have an abundance that seems to have to stay here.

I wish to continue to quote from the remarks of the president of the Canadian Federation of Agriculture. He said:

In those days we had nothing that could be called distinctly a farm policy. Governments up to that time, were not to interfere in business, but they certainly made one exception in building high tariff walls around some industries.

This particular president seems to think we have a definite long-range agricultural policy in operation in Canada today. I judge that from the remarks of the Minister of Agriculture. What is the agricultural policy that is in operation in Canada today? We have price supports on three agricultural commodities, and that is all. We sometimes question whether price support remains on one or not. I am thinking particularly of hogs. We have a price support on butter, but what happens? We find that we cannot sell all our butter in Canada, and so we decide to sell it to foreign countries at a reduction of 21 cents a pound. This is the two-price system that the hon. member for Acadia (Mr. Quelch) has advocated for years. But we do have people in Canada who are not consuming all the butter that they would like to consume just simply because they cannot afford to buy it. I am now thinking of the old age pensioner who lives, as he does in some provinces, on $40 a month. He cannot afford to buy many pounds of butter; but how pleasant it would be for him if the Minister of Agriculture would take the suggestion made in this house some time ago by the hon. member for Jasper-Edson (Mr. Yuill) and perhaps every month, when the old age pension cheques are sent out to these old folks, include in the envelope along with the cheque one, two or three coupons, which would entitle them to buy a pound of butter at the same price charged to our good communist friends across the sea. I submit, Mr. Speaker, that is something that the minister could spend some time thinking about.

On January 19, 1955, the interprovincial farm union council, at this time still made up of only the four organizations, Alberta, and the B.C. block, Saskatchewan farmers' union, the Manitoba farmers' union and the Ontario farmers' union, presented a brief to the government. I am very happy, Mr. Speaker, to say that in this connection the

Ontario agricultural group has seen fit to join with this interprovincial organization, and I sincerely trust, as the years roll by, other agricultural organizations in the eastern part of Canada will join with this body and attempt to make the problems of agriculture more effective when they present their briefs before the government of Canada and the House of Commons. On page 5 of this particular brief, which I know the Minister of Agriculture has studied just as closely as he studied the one he read from today, which was presented to him by the Canadian Federation of Agriculture, they had this to say. I want to show the house how the policy of the interprovincial farm union council has been consistent throughout the years.

In the opinion of the interprovincial farm union council, there is only one realistic and equitable solution for this problem. That is the immediate adoption of a new national agricultural policy that will provide price guarantees for all Canadian farm products sold on domestic markets on a basis equivalent (and adjusted from time to time) to the cost of living index. This price, naturally, would be in line with the prices of consumer goods and services required by farmers.

I consider this to be a very fair request, Mr. Speaker. On page 6 they had this to say They were dealing with the problems of unemployment.

The interprovincial farm union council believes that adoption of a farm-price guarantee policy will provide a sound foundation for the improvement of general economic conditions in Canada. It would enable farmers to increase their purchases of consumer goods with the result that much of our present urban unemployment would disappear.

Just in that connection, Mr. Speaker, I am satisfied that the farmers in western Canada, particularly in my portion of Alberta, will not this year be going out early in the spring to the machine agent to try to order a combine just to make sure they will get it in August. The combines are sitting right there now. They were not sold last year. The reason they were not sold, and the reason the machine companies are eventually going to feel the pinch of the present economic position of agriculture, is that the farmers do not have the money.

I promised to stay away from wheat. I want to mention eggs and poultry prices. In the same submission I find the following:

While we commend the government for making a start—

That is fair enough. It has to do with eggs and poultry floor prices. Certainly, when the government does something good it should be commended, but when they fail to do something that we think is good we should tell them about it, and I propose to do that as long as I remain in this house. I continue:

While we commend the government for making a start, by insisting that the producer should receive his proper share of the benefits derived from the government support price on eggs, nevertheless we feel that the present egg price support plan is open to justifiable criticism as constituting more a guarantee to the processor than to the producer.

On page 11 they made a plea for parity prices. In closing I should like to ask, what is wrong with parity prices? Why should not the farmers of Canada, like the employers of any branch of industry, be assured their fair share of the national income?

An hon. Member: Hear, hear.

Mr. Smith (Battle River-Camrose): I am glad that somebody agrees with that. I think we have a convert over there, and I hope we can keep him that way. Just keep on smiling, because that smile of yours across the way amuses me.

Let us look at the record. I can read statistics into the record just as well as the Minister of Agriculture (Mr. Gardiner), but I do not have to go to socialist doctrines to get my records. I can find them elsewhere. However, let us look at the record. I hold in my hand a chart. I had better read where it comes from to keep the record straight. This is taken from figures compiled by the dominion bureau of statistics. It is a table which deals with gross and net farm income for the prairie provinces for the period from 1951 to 1955. It says the figures were compiled from the sale of farm products and participation payments on previous years' grain crop. The part in which I am particularly interested is the decline in net farm income from 1951. I find that in 1952 there was a decline in net farm income of 3·13 per cent. In 1953 it was down 21·60 per cent. In 1954 it was down 66·64 per cent.

From what we can gather, there is going to be a further decline this year. What position does that put the farmer in? Surely no one in this house can stand up and argue that the net farm income has not been rapidly going down in the last three or four years.

In closing I want to pay a further tribute to the Minister of Agriculture. I could not help but think as he was making his remarks that he is actually one of the great wheel horses in the field of politics in the history of Canada. He is a man who can stand up and speak for an hour and forty minutes in defence of the policies of his government in the field of agriculture and I admire him for that, but may I say in closing that I would have been far more pleased to have listened to some of the Liberal backbenchers from western Canada attempting to defend the Liberal policies in that regard.

Mr. C. E. Bennett (Grey North): Mr. Speaker, I am not a backbencher from

western Canada but I am a backbencher from eastern Canada and I am interested in farm problems because my riding is half rural and half urban.

Much has been said today about the reduction in farm income. The right hon. minister at the last of his very worth-while review today said it was his opinion that in some cases farm income was down. In certain respects that definitely applies in my riding. In Grey county we produce, as farmers, cattle, pork, poultry, apples and dairy products. Dairy products, of course, remained on an even keel in 1955, thanks to the floor support plan of the government. Poultry and eggs were up a little bit. Cattle remained fairly steady but hogs and apples were away off. The reduction in the price of pork was very serious to a great many of the farmers in my riding because Grey county is one of the leading pork producing districts in Ontario.

The farmers in my constituency realize there is no easy solution to these problems. They realize that if a solution could come about by doing any of the things suggested by the C.C.F. group or by the resolution which was put on the order paper by the hon. member for Prince Albert, this government would have done it a long time ago. The farmers in my area recognize and appreciate the agricultural support policy of this government and the other farm policies that have been invoked by the present Minister of Agriculture.

The hon. member for Prince Albert in introducing his resolution stated that the farm policy of this government operated on a hit-or-miss basis. The farmers in my area do not feel that way. They appreciate particularly the floor support program. They recognize, for instance, that hogs were supported during the epidemic of foot-and-mouth disease at 26 cents and cattle at 25 cents. Not only was the floor support beneficial, we all know the support prevented the collapse of the hog market at that time. The same obtains on eggs. Eggs dropped to 19 cents a dozen in 1949. The minister stepped in and supported them at 38 cents, which means about 32 cents to the producer, and since that time eggs have not fallen through the support except on one occasion last year and that was of brief duration and the minister quickly corrected it.

We all know that other products have been supported, such as cheese, milk, apples, butter and potatoes, to mention only a few.

At the present time the floor under hogs is 23 cents. We do not think it is enough but I would like to put on *Hansard* the fact that if it were not for that floor support hogs would be selling at a much lower price than they are today. It goes without saying that we people who represent farm ridings will support any workable and practical measure that will raise the price of cattle and of hogs because it is in the interest of all of us. No matter what we interpret the word "parity" as meaning, we want the farmer to have his fair share of the national income.

I do not know what the hon. member for Prince Albert has in mind as a means of achieving this position of parity. He did not say very much about that; all he complained about was that prices were down. He did not give us any of his ideas as to how he was going to get the price of hogs or cattle to where he considers the prices would be at parity. He said only that we should have teeth in our hog floor legislation. Even if we have teeth in the legislation it does not put the price up to 26, 27 or 28 cents where we would all like to see it. That is the trouble with all the people who have been talking on the other side of the house. They say, "Let us have prices where they should be," but they do not give us any constructive ideas concerning how to do it.

If the hon. member for Prince Albert was thinking in terms of a higher floor he knows, of course, that many factors have to be taken into consideration. If we put up the price on hogs by means of a floor that contains an inducement to produce, I think we will all readily recognize that the farmer with two or three sows will soon have four or five, and the fellow living at the edge of town who has not gone into pigs will soon go into pigs. We found that out in 1952 when the floor was 26 cents. We did not think it was too high for hogs at all but we found that the government ended up with a great deal of pork. That floor support program in 1952 cost the government $35 million for hogs and $33 million for cattle but it was certainly money well spent in the national interest.

The United States has discovered, and the minister mentioned this, that if you have your floor support too high without any quotas or without a marketing scheme you soon have a surplus which will depress prices and will hurt the farmer in the long run. That is why Mr. Eisenhower in an election year, trying desperately to do something for the farmers did not, you will notice, come up with anything for the cattle producer or the hog producer because the surpluses in the United States are depressing prices.

In this country we are up against another problem. If we have our floor support high enough to attract United States cattle and hogs, after the duty and freight have been

paid, which do not amount to too much, our floor would be supporting the entire North American continent and we just cannot afford to do that.

I would like to mention an exception to the general rule. Hon. members will recall that a few weeks ago United States livestock was coming into Canada because prices there for the first time were lower than ours. I received representations to the effect that we should close the border. This, of course, would be an extremely narrow and short-term policy. As the minister said today, the United States has always been our floor for cattle. There are 160 million people there and it is a great potential market for our farmers.

If I have the permission of the house to do so, I would like to table some figures. These show exports to and imports from the United States for 1953, 1954 and the first nine months of 1955 ending with September, of cattle, beef, hogs and pork. The figures show clearly that the trade is just about all one way and it is of tremendous value to us to keep that border open.

The Acting Speaker (Mr. Applewhaite): What is the source of the figures?

Mr. Bennett: The economic division, Department of Agriculture.

The Acting Speaker (Mr. Applewhaite): Has the hon. member unanimous consent to place these figures on *Hansard*?

Some hon. Members: Agreed.

Mr. Bennett: The figures are:

20.1.56

F.P.

CANADA—TRADE WITH U.S.A. IN SPECIFIED PRODUCTS

—	Unit	Exports to U.S.A.			Imports from U.S.A.		
		1953	1954	9 months ending Sept/55	1953	1954	9 months ending Sept/55
		Quantity					
Cattle and Beef—							
Cattle purebred	1,000	20	16	14	1	1	1
Dairy cattle	"	22	17	16	—	—	—
Cattle and calves n.o.p.	"	26	55	23	—	—	—
Beef and veal, fresh	1,000 lb.	16,816	9,445	5,698	1,440	1,095	1,795
Beef, canned	"	—	—	—	300	158	10
Beef, pickled in barrels	"	—	—	—	10,576	12,857	6,917
Extract of beef	"	35	52	26	[a]	[a]	[a]
		Value					
Cattle and Beef—							
Cattle purebred	$1,000	5,529	3,939	3,495	570	916	475
Dairy cattle	"	4,008	2,783	2,636	—	—	—
Cattle and calves, n.o.p.	"	5,009	9,120	3,666	—	—	—
Beef and veal, fresh	"	5,276	2,783	1,872	479	466	629
Beef, canned	"	—	—	—	91	48	7
Beef pickled in barrels	"	—	—	—	1,806	2,346	1,235
Extract of beef	"	25	28	15	116	27	3
Total value	"	19,847	18,653	11,684	3,062	3,803	2,349
		Quantity					
Hogs and Pork—							
Hogs purebred	1,000	1	1	1	—	—	—
Hogs, n.o.p.	"	20	24	7	—	—	—
Pork, fresh	1,000 lb.	35,245	40,184	31,874	—	—	57
Bacon, hams	"	6,097	9,566	9,276	56	59	22
Hams canned	"	16,939	11,268	8,381	—	—	—
Pork pickled in barrels	"	1	3	—	0	—	—
		Value					
Hogs and pork—							
Hogs purebred	$1,000	48	95	50	—	—	—
Hogs, n.o.p.	"	1,009	1,082	177	—	—	—
Pork, fresh	"	14,908	17,180	12,197	—	—	19
Bacon and hams	"	4,951	8,009	6,605	20	32	17
Hams, canned	"	14,337	9,879	6,342	—	—	—
Pork pickled in barrels	"	0	0	—	0	—	—
Total value	"	35,253	36,245	25,371	20	32	36

[a] Quantity not available.

My hog producer is very much interested in the supreme court reference mentioned today by the Minister of Agriculture (Mr. Gardiner). While some of my farmers are still individualists, more and more they are coming to believe that they must have a marketing scheme, preferably one run by themselves through a marketing board, in order to have orderly marketing and establish the prices which they should get on the market. I must say that I personally am coming more and more to that line of thinking.

I happen to be in the apple business and with a bumper crop this year we had no control over the marketing of apples. Without any government assistance at all—we are not asking for that—without any floor support, if we had had a marketing agency so that we would have had some over-all control over the marketing of our apples we would have been much better off this year.

My hog producers feel the same way. I was glad to hear the minister say that there is to be a conference with the provincial ministers of agriculture to discuss marketing legislation. I think that is a step in the right direction. Whether we believe in quotas or just selling through a central agency under a free enterprise system, I think there should be marketing schemes and marketing boards.

Most of my farmers now believe that there should be marketing boards for just about every farm product. As the minister said, there are about 20 schemes in Ontario. In ending my remarks on hogs I would urge the minister to go ahead with this marketing conference just as soon as the decision on the reference is known.

Mr. Gardiner: April 19.

Mr. Bennett: If the minister does not mind, I should like to urge him, if the decision of the supreme court is to the effect that the marketing legislation of the Ontario government is ultra vires and further authority is needed, to see that legislation is ready to be passed at this session. That is one thing we can do to help the farmer to set up machinery so that he can help himself.

My riding is very important from an apple producing point of view. The famous Beaver valley and Georgian bay apples are grown in my district. There are very important orchards too in the Meaford area. I see the hon. member for Durham (Mr. James) is looking at me, and I am ready to admit that perhaps there are some McIntosh apples down there although I have never heard of them too often.

As I have said, we had a bumper crop in the Georgian bay district this year. I am not appealing to the government for any help and I am not even going to offer any constructive suggestions. The only thing I would like to say is that we have had a very poor year. I have heard some hon. members from Nova Scotia and British Columbia complaining, and I just want to assure the house that the Georgian bay grower did not make any money this year either. With our large crop we had high costs for containers, spraying materials, labour and fertilizers. In the end the small grower, if not the large grower, lost money. Instead of the price of apples being $2.50 or $2.75 per bushel, apples were selling at around $1 per bushel and some apples were not even picked.

The Ontario growers this year went on record as being against the idea of a subsidy and perhaps I should explain that. They do not think that the government should grant subsidies year after year to encourage the growing of varieties of apples where it is not economical to grow them. They emphatically oppose the granting of subsidies which help the growers of another province to compete in their traditional markets in Ontario. I remember that four or five years ago this government did one of the few things it has ever done wrong: a subsidy was granted to the apple growers of another province and the following week these growers took the back page of the *Star Weekly* and did considerable harm in our traditional Ontario-Toronto market. Using your own money to ruin your own market is certainly rubbing it in.

I hope the minister will continue the generous grants which have been made under the Cold Storage Act. We found this year that there was a scarcity of cold storage in Ontario and many McIntosh apples were put on the market because of lack of storage. That is another way in which this government is helping the farmer and can continue to help him.

Turning from apples, I should like to speak briefly about butter. The price of butterfat and cream was and is one of the bright spots in the farm picture in my riding. I never hear complaints about the price of butterfat. Most farmers are high in their praise of our butter policy. Our butter policy has been stated many times as being a means whereby the government purchases butter during the heavy butter producing months and feeds it back to the consumer during the winter months, thus stabilizing the price and helping both the consumer and the farmer. The farmer is able to get the same or higher price all the year round, and by putting purchasing power in the hands of the farmer we are helping the whole economy.

I urge the government to maintain this support price of 58 cents under butter. Much has been said about the importance of the dairy industry and I do not think I need to elaborate on that. In my riding the cream cheque is spent on Saturday night or during the week end by the farmer and his wife and is quickly distributed throughout the economy to the benefit of all. Last year the cream producers of Grey county were paid close to $3 million and it will be appreciated what that meant to a riding such as mine.

I am not afraid that the government will abandon the floor price under butter, but I am a little nervous that they may drop it 2 or 3 cents. Some hon. members seem to believe that more butter would be sold and consumed if the price were dropped 2 or 3 cents, but I do not hold that view at all. By thus reducing the purchasing power of the farmer you would be working to the detriment of the whole economy. We have margarine eaters and we have butter eaters and the spread in price between the two is too great to induce some margarine eaters to eat butter just because the price has been dropped 3 or 4 cents.

When introducing this resolution the hon. member for Prince Albert (Mr. Diefenbaker) was critical of the sales which have been made to iron curtain countries. I think too the hon. member who spoke last referred rather disparagingly of this policy. They ask: Why give bargains to communist countries? I suppose that is a pretty popular thing to say, but I submit that the government policy is the correct one. My farmers certainly think it is the correct one.

If the hon. member for Prince Albert considers we can take 15 million or 20 million pounds of butter surplus and dispose of that in a special sale I would like to ask him how he expects to get around the administrative problem. There are thousands of retail and wholesale outlets and how could you make sure that the bargain of 20 or 25 cents was being passed on to the consumer. A sale of 15 million pounds would last only two weeks and would mean a saving of only 25 cents to each person in Canada. I do not think you could do it, but even if you could there would be the more serious objection that you would be undermining the permanent price of butter. We might get away with one fire sale at 40 cents and go back to 65 cents, but you could not do it more than once or twice. The housewives just would not buy butter for 65 cents after getting it at 40 cents. The result would be that sooner or later you would be bringing down the price of butter, and the price would be determined for the 317 million pounds we produce in Canada by that small surplus of 15 million pounds.

I have listened very carefully to the members of the opposition on this butter question and I cannot for the life of me figure out what they advocate. They seem to be in favour of this 58 cents support, although they do not underline its importance to the farmer. They do not say what they are in favour of. Some members opposite apparently are in favour of the two price plan and one of the leading associations interested in the dairy industry in Canada is also in favour of this two-price scheme. Under that scheme, of course, butter would be allowed to find its own level, say 40 cents, and the government would continue to support the producer at 58 cents per pound, paying to the producer 18 cents per pound. You can see how much that would cost by multiplying 18 or 20 cents by 317 million. It would cost $60 million a year, unless of course you had a quota system. That was the plan that was advocated by Mr. Brennan in the United States, but the republicans and democrats over there found that that just would not work, because the cost was prohibitive.

You may say, "Let us have a quota." If you are going to have a quota, you must have a marketing board, and that is a different story altogether. But I do not think we should disturb our butter policy, which is the bright spot in my riding. My farmers say to me, "If you do not say anything else in this session, get up and praise the minister for the 58 cents support, because it is essential to keep it."

The hon. member for Lanark (Mr. Blair) made a very worth-while contribution in the throne speech debate and he quoted some figures that showed that the gap between production and consumption, was 17 million pounds this year. He was worried that that gap might increase, although his figures do not bear that out. In 1953, for instance, the gap was 17 million pounds. In 1954 it was 20 million; and in 1955 it was estimated at 17 million pounds. The president of the Canadian federation of agriculture does not agree that the gap is going to widen; he thinks it is going to close. It is difficult to say what will happen. There are some people who think we are going to be short of butter in three years. The gap might well be closed in one year with the wrong weather. It might be closed on account of our growing population. It is obvious that there are many factors, and it is difficult for anybody to say right now what the situation is going to be with regard to butter two or three years from now. That is all the more reason why we should keep to the present policy.

Let us continue the present policy. Let us support butter at 58 cents. Let us offer butter at reduced prices to our institutions at home, although the minister said two or three weeks ago he had that policy under review and he was not too sure that it was the right one. In any event, let us offer the surplus to the friendly countries in the west, and then to the countries behind the iron curtain. We are getting rid of the surplus. We are supporting one of the greatest industries in Canada, the dairy industry. That dairy industry is very important to the mixed farmer. In my county there is no better way of putting money into the hands of the man engaged in mixed farming than to keep that cream cheque at a decent level.

So I urge to the best of my ability that the present floor support policy be kept on as it is. What is wrong if it costs the taxpayer a little money? We give special tariffs, subsidies and concessions as has often been said, to subsidize industry. Take the western farmer for instance whom we are helping this session. I should like to say this to the C.C.F. group. I came down here prepared and anxious to help the western farmer. After hearing all the repetitious debates that took place here, I was reluctant to vote for those bills. I think the western farmer has not had the kind of representation here that he deserves. Members of the opposition keep talking about the big reduction in the income of the western farmer. True, the western farmer has had a big reduction, just as a millionaire might have a reduction. However, if you take the income of the farmers in the west as compared with the farmers in the east, dividing it by the number of farmers, you will find that the man in the east is much worse off than the western farmer.

I would reiterate what the minister has said today about oleomargarine. How can I go back to my farmers after voting to the western farmers all that money? As the minister said this afternoon, the C.C.F. government told the farmers' union that they would not spend about $25,000 to provide butter instead of oleomargarine in their provincial institutions. They talk about the farmers sticking together. That is certainly a united front. I am ashamed of them.

May I call it six o'clock?

An hon. Member: No.

The Acting Speaker (Mr. Applewhaite): I would put it to the hon. member that there is a time limit to this debate.

Mr. Bennett: It is hard to get wound up again. In finishing off this subject, this butter program has not cost us much money. A few million dollars sounds like a good deal of money but it is a very insignificant sum as compared to what it has done for Canada. If it does turn out in two or three years that we develop a surplus—I believe the minister does not think we are going to develop a surplus—perhaps he might consider a wider base for dairy products support. Perhaps we could support powdered milk and cheese. We are always talking about increased help to the poor underprivileged countries in the east and one of the agricultural products we could ship there would be powdered milk. There are not many agricultural products that we can ship to the Far East.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Bennett: Mr. Speaker, the amendment that we are considering and the subamendment are as follows. The amendment moved by the hon. member for Prince Albert (Mr. Diefenbaker) reads:

> That all the words after "That" be struck out and the following be substituted therefor:
> "in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to create a parity of prices for agricultural products at levels to ensure producers a fair price-cost relationship".

Then the hon. member for Assiniboia (Mr. Argue) moved his subamendment which reads:

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:
> "in such a manner as to provide for a fair share of the national income for agriculture".

The only reason that I read the amendment and the subamendment is that I cannot see that the subamendment adds anything to the amendment. I would think that the subamendment is redundant, Mr. Speaker. I do not expect you to rule on that point. But if parity means equality, then if there were parity prices as set out in the amendment it would naturally flow from that "in such manner as to provide for a fair share of the national income for agriculture". If you accept that parity means fair, then certainly the subamendment does not add anything to the amendment. There are of course two ideas about the word "parity". To me parity means par, something that is equal. But apparently there is another more technical meaning attached to the word "parity". The hon. member for Assiniboia sets out clearly what he and his party think the word "parity"

means. As reported at page 2026 of *Hansard*, the hon. member for Assiniboia said:

> I want to point out to hon. members of this house that the concept of parity prices is that the government shall so regulate the prices of farm products as to give to agriculture an income which bears a very direct relationship to the income of other groups in our economy.

Then he goes on to chide the Conservative party for getting away from their free enterprise thinking. That kind of parity I do not believe in. I think it has been shown many times that it would be impossible for this government to set floor prices which would contain an inducement to produce. As I said before the dinner recess, our experience during the foot and mouth disease epidemic, when we literally got up to our necks in hogs because the floor price of 26 cents contained an element of profit, I think, was a lesson to all of us. Let us take, for example, potatoes. I would ask the hon. member for Assiniboia whether, if there were a fixed parity price for potatoes, which contained a profit element would not half of the whole province of Ontario be planted out in potatoes. I know that my county would be. I do not think you can work that conception of parity unless you have marketing boards and quotas. You must have control over production. If the resolution means that kind of parity, I am against it. But if it means parity prices, with the intent that the farmer shall get his fair share of the national income, I think everybody in the house is in favour of it.

Mr. Nicholson: No; not everybody.

Mr. Bennett: I am.

Mr. Nicholson: The minister is not in favour of it.

Mr. Bennett: I have only another seven minutes and I do not want too much heckling.

Mr. Ellis: Well, well, a privileged character.

Mr. Knowles: The hon. member is speaking extremely slowly.

Mr. Ellis: The hon. member wants to hand it out but he does not want to take it.

Mr. Speaker: Order.

Mr. Bennett: I think we all want to see the farmer get his fair share of the national income.

Mr. Castleden: Why don't you do something about it?

Mr. Bennett: We want a balanced economy. We want all segments of the national economy to receive their fair share of the national income. I think that is obvious. I think every member of the house wants that.

Mr. Ellis: Why don't you do something about it?

Mr. Bennett: I am a small town lawyer and I know that most of my income comes from the farm districts. When they have money, I have a little bit also.

The government can help the farmer achieve this position but the farmers in my riding are beginning to realize more and more that they must help themselves. The government can offer floor supports. They can offer subsidies. They can pay premiums for grade. They can spend money in research. They can spend moneys to develop our markets, domestic and abroad. They can help the farmer by setting up machinery so that he can help himself; I refer to marketing legislation machinery. But the farmer must help himself and he knows that. He must concentrate on becoming better organized. By that I mean he must give more support and he must stick to his farm organization. In my riding there are two farm organizations. One is the farmers' union and the other is the Canadian federation of agriculture. I can say that there are good farm leaders in both those organizations and they are taking on their responsibilities as they should. As I said before supper, a good example of farmers not sticking together is for the C.C.F. government to buy oleomargarine for their provincial institutions. I am proud to be associated with a department that buys butter for its hospitals from coast to coast starting at Shaughnessy on the Pacific and ending in Camp Hill in Halifax. The farmer can also improve his efficiency by cutting costs. He can do a great deal towards developing a better marketing technique.

From my remarks you may think that I am hipped on this subject of marketing legislation. But unless the farmer markets his products in an orderly fashion, I submit you cannot help him too much in other ways. Marketing legislation and marketing boards of course do not constitute a panacea but I cannot help but think that in my own riding the one farmer who is particularly well off right now—at least he is much better off than are the rest—is the fluid milk producer, and he is well organized. He is under a quota system under provincial legislation. I should like to see that plan developed in other fields. I remember less than two or three years ago when the Ontario apple growers went to the Minister of Agriculture for help and he said, "How can we help you from here? You are just not organized". While I am talking about the Minister of Agriculture, may I say

that I could not help but think of the occasion when the Leader of the Opposition (Mr. Drew) made that extremely abusive, unfortunate and irresponsible statement that he made a month ago when he said he could stand on Sparks street and throw snowballs and they would land on people who would make better cabinet ministers than we have in front of us.

Some hon. Members: Hear, hear.

Mr. Bennett: I could not help but think that the arm of the Leader of the Opposition is not that strong. He would have to have an arm like Johnny Podres and Robin Roberts combined, and some more, because he would have to be able to throw from Sparks street a lot farther than the House of Commons, because as I look across the floor here I see nobody that can take the place of the Minister of Agriculture. The Minister of Agriculture has fought, battled, argued and scrapped for the farmer in connection with farm problems for 20 years now and for the sake of our farmers I hope he continues at his post. My time is running out. I just want to bring in the parliamentary assistant. He is our representative in Ontario and he has done a grand job in representing the farmers.

An hon Member: A mutual admiration society.

Mr. Bell: Are you trying for a cabinet job?

Mr. Speaker: Order.

Mr. Knowles: Saved by the bell.

Mr. Speaker: Order. I have just been informed by the Clerk that it is now 8.10 p.m. Under standing order 56, paragraph (d), it is my duty to interrupt the proceedings and forthwith to put the question on the amendments before the house.

The house divided on the amendment to the amendment (Mr. Argue) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Campbell
Cardiff
Castleden
Charlton
Churchill
Diefenbaker
Drew
Ellis
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Gagnon
Gillis
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Macdonnell
MacLean
McCullough (Moose Mountain)
McGregor
McLeod
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Patterson
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Starr
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
Zaplitny—64.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Cannon
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Henderson
Henry
Hollingworth
Hosking
Houck
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCubbin
McCulloch (Pictou)
McDonald
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)

Nixon
Philpott
Pickersgill
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Stick
Stuart (Charlotte)
Thatcher
Thibault
Tucker
Viau
Weaver
Weir
Weselak
White (Waterloo South)—144.

Mr. Cameron (High Park): I was paired with the hon. member for Calgary North (Mr. Harkness). Had I voted, I would have voted against the amendment.

Mr. Speaker: The question now is on the amendment to the main motion. Those who are in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to the amendment will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Order. Do hon. members consider that their members have been called in for the purpose of this division? Would the whips be kind enough to so indicate?

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Campbell
Cardiff
Castleden
Charlton
Churchill
Diefenbaker
Drew
Ellis
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Gagnon
Gillis
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McCullough (Moose Mountain)
McGregor
McLeod
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Patterson
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Starr
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
Zaplitny—65.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cannon
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Henderson
Henry
Hollingworth
Hosking
Houck
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCubbin
McCulloch (Pictou)
McDonald
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Philpott
Pickersgill
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)

Richardson	Simmons
Roberge	Stick
Robertson	Stuart (Charlotte)
Robichaud	Studer
Robinson (Simcoe East)	Thatcher
Rochefort	Thibault
Rouleau	Tucker
St. Laurent (Quebec East)	Viau
	Weaver
St. Laurent (Temiscouata)	Weir
	Weselak
Schneider	White (Waterloo South)—146.
Shipley, Mrs.	

AGRICULTURE—FROST DAMAGE IN BRITISH COLUMBIA

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I have been waiting with a great deal of patience or impatience for the opportunity to present itself to bring before the house a particular grievance. This is a matter of real, vital concern to the residents of my particular area and therefore I feel justified at this time in bringing it to the attention of the house.

Mr. Speaker: As only one hon. member is in possession of the floor there should be only one hon. member standing.

Mr. Patterson: I have listened with a great deal of interest to the debates which have taken place in the house during this session on agricultural problems. I have not taken part in those particular debates, but I believe there are two factors which might qualify me for doing so and which would warrant my participation in debates on agriculture. One is the fact that I was raised on a farm, a farm where they grew a lot of that wheat we have been hearing about, and the other is that I represent a predominantly agricultural area in British Columbia.

I have been endeavouring to fit into the general framework of our discussion this serious problem to which I should like to call attention at this time. It has to do with the serious situation which exists in British Columbia because of the exceptionally severe frosts which struck the province during November last year. Perhaps I should say that we are not used to having severe frosts in British Columbia at any time, and certainly last year was the exception. Not only did it come with great intensity, it came at an early period in the season when no one was expecting it or was prepared for it. The result was that the agricultural producers in my area and in other areas as well suffered very severe losses.

I should like to call attention to this situation tonight. The hon. member for New Westminster (Mr. Hahn) intends to make some remarks in this connection. I know that his remarks will be perhaps complementary to mine and will carry forward some of the statements which I shall make at this time.

The problem which faces us is a serious one. Since these frosts occurred a number of briefs have been drawn up by various interested parties and groups of individuals for presentation to different organizations and governmental authorities. I have one here dealing with frost injury to nursery stock which was prepared by the Canadian association of nurserymen, British Columbia division, in co-operation with the Vancouver island association of nurserymen. It was compiled at the request of nurserymen operating in British Columbia and is the result of a fairly complete survey representing approximately 90 per cent of the nursery injury. It indicates the extent of the frost damage throughout the province and brings to the attention of governmental authorities the problem which the producers are facing. It asks also for financial assistance in one form or another. I should like to place on the record one paragraph from this particular brief to be found on page 2 which reads:

> The resulting losses sustained by nurseries are of such a serious nature that the future of the industry is seriously threatened.
>
> Some nurseries have lost up to 85 per cent of their total production not only for this year but also to their young stock coming along for future years. For example, cherry trees are among the most seriously damaged. The growers have lost all their one year trees which were ready for sale during fall 1955, spring 1956. They have lost a large proportion of the young stock coming along for 1956-57. It will therefore be 1957-58 before a normal crop will again be available and this will be contingent upon the nurserymen being able to finance through this period from 1955 to 1958 when returns from production of this crop should again commence coming in.
>
> This same situation applies to peaches, apricots and some apple varieties although the damage is not as extensive as for cherries.

The estimated losses to nursery stock at wholesale prices for the different regions are as follows:

Vancouver island	$ 75,455.70
Lower mainland	210,159.65
Interior	73,757.00
Total	$359,372.35

We must realize that not only have severe losses been suffered by those engaged in this industry; there will be repercussions in various other fields as well. Employment may be threatened, as already some of the grower nurseries have laid off approximately 80 per cent of their field staff. As I intimated at the beginning of my remarks, this brief states that as a result of the frost losses this industry is in grave danger of extinction. Part of the last paragraph of the brief reads:

> Assistance of a very concrete nature is urgently needed and this submission is made in the hope

that help will be forthcoming and that it will be of a nature appropriate to the gravity of the situation.

That has to do only with the production of nursery stock, one particular phase of the industry in British Columbia. I should like to call attention as well to the losses suffered by the berry growers of British Columbia, especially the strawberry growers who have suffered a crippling blow. The bureau of statistics gives the following farm value of strawberry production in different years:

1952	$2,163,000
1953	2,716,000
1954	2,531,000

Raspberry growers also suffered seriously from the frost, and in the case of this group the production values are as follows:

1952	$1,256,000
1953	1,702,000
1954	1,791,000

We can see by this that this is an industry that is vital to the economy of British Columbia and certainly, speaking for my own riding of Fraser Valley, it is of tremendous importance to us in that section. The estimated loss, as far as the strawberry stock is concerned, is just about 100 per cent. The estimated loss for raspberries for the coming year would be 80 per cent, and possibly that loss would be reduced a little each year as they get back into production.

We can see that this is a very serious problem which our producers are facing at this time. A table has been drawn up. I am not going to take time to read it but, unless assistance is forthcoming, the total estimated losses are as follows: for 1955, $2,214,070; for 1956, $7,086,500. The estimated loss between 1955 and 1960 is $17,244,570.

Following the disaster last fall, meetings were held in the various sections of the Fraser valley to consider what steps should be taken and what approach should be made to the governments in their quest for assistance under these difficult circumstances. It was decided at some of these meetings to make an appeal to the provincial government of British Columbia, and that was done.

Following the appeal to the provincial government, they decided to carry the matter further by an appeal to the federal government for some type of assistance. On February 9 I asked the Minister of Agriculture in this house whether he had received a request from the representatives of the berry growing industry for a meeting, and the reply I received at that time was that the Minister of Agriculture had received communications in this respect from the representatives of the berry growers and he had also received a communication from the provincial government.

Following that particular question and answer, the situation just carried on for a brief time, but there were certain communications that passed between the representatives of the berry industry and myself and also some other authorities. The result was that the delegation came to Ottawa and had a meeting with the Minister of Agriculture. The reaction was very encouraging. At least, the delegation felt it was making good headway and had received a very fair and very fine reception from the Minister of Agriculture.

Another meeting was planned for the following day. Following that meeting, their hopes were shattered. Instead of being met with smiles from the summit, those smiles had turned to frowns. The next time I saw the delegation, they remarked to me that they had received a very spectacular brush-off. As they discussed the situation and as they considered their next steps, they felt the Minister of Agriculture had given them very little hope of any assistance from the federal government. In fact, he gave them the impression that this was a provincial responsibility and that the provincial authorities were quite capable of looking after the situation.

I appreciate the fact that he commended the British Columbia government so highly in this respect, but anyway he implied that there would not be any help coming from this source, that is, from the federal government. However, in order to get the matter clear I asked another question of the Minister of Agriculture on February 28. The question is as follows:

I should like to direct a question to the Minister of Agriculture. Could the minister comment at this time on the results of his recent conversations with the representatives of the British Columbia berry and small fruits growers?

You will note that I asked the question, "Could the minister comment on the results?" but all he did was comment on the meeting. He gave an answer that was neither illuminating nor—

An hon. Member: Nor intelligent.

Mr. Patterson: It has been suggested "nor intelligent". I was not going to use quite that term, but certainly, when I asked what I considered to be a sensible question, and I asked it in a courteous manner, I thought I would get an answer that was at least somewhat intelligent and helpful.

Mr. Knowles: The hon. member is new around here.

Agriculture—Frost Damage in B.C.

Mr. Patterson: Here is the answer, as recorded on page 1613 of *Hansard:*

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for having given me notice of his question.

Perhaps if I had not I would have gotten a better answer.

Representatives of the British Columbia berry and small fruits growers discussed their problems with the provincial authorities before coming to Ottawa and expressed their intention of doing so again on their return to British Columba, after which we will probably hear from them again.

An hon. Member: What does that mean?

Mr. Patterson: That was really a masterpiece of an answer.

Mr. Knowles: He was probably misquoted.

Mr. Patterson: I was slow on the draw. I should have asked a supplementary question, but I sat rather dumbfounded that the Minister of Agriculture would give such an answer in connection with a matter in this category. Anyway it more or less confirmed what the representatives of the growers had said, that this government was not going to do very much to help them out in this particular situation. I have a clipping of an editorial from the Abbotsford, Sumas and Matsqui *News,* printed in my home town of Abbotsford. It is headed "The Berry Grower's Case" and states:

The berry industry did not ask for a handout. It asked for a measure of government support, either loans or guarantees of loans, so growers could finance purchase of new stock, fertilizers and insecticides to get themselves back in business.

This is the particular section to which I wish to refer:

If a man becomes indigent, they—

That is, government funds through various agencies.

—are available.

If a man is unemployed, they are available.

If he is injured and unable to work, they are available.

We recognize that in some of the instances cited the people who receive benefits have themselves contributed a portion of the funds upon which they may draw. But the point we are making is that government assistance, in part or whole, is no new principle in our national life.

Then it goes on to state this:

It seems eminently sensible to the *News* to recognize the same principle when a fruit grower needs help. If loans will help hundreds of valley fruit men get back on their feet the government will be doing a good piece of business in making them available.

A little further on it states:

With help, this situation can be met. Without help, the Fraser valley is likely to see the last of an important industry. The fruit industry is not in a good position to pull itself up by the bootstraps, because a large volume of tonnage is moved by grower-organizations.

As the newspapers are looking at the situation they feel that, under the circumstances, the berry growers of my area are entitled to some consideration and some assistance at this time. Another paragraph in this same editorial states this:

In Washington, just a few miles away governments have recognized the importance of their fruit industry. They have made long term, low interest loans available to both fruit growers and the businesses that supply them.

As the growers in my area are faced with this difficult situation in which they have suffered loss—as far as their strawberry stock is concerned they suffered 100 per cent loss and in respect of other types of berries and small fruits they have suffered serious loss—I want to suggest that this government should be in a position to render some assistance and to help tide them over this difficult period in which they find themselves. We have discussed other agricultural problems. We have discussed agriculture in other sections. During past days we have passed legislation with respect to giving help and assistance. Hence I feel that we are not out of order in requesting that the government take this matter under advisement and stand ready to give assistance to the berry growers and the nursery men in the province of British Columbia.

The Canadian Federation of Agriculture, in their annual presentation to the Prime Minister of Canada and members of the cabinet, Ottawa, February 14, 1956, had this to say in paragraph 3 on page 13:

To establish a policy for providing emergency or disaster credit on an interest-free basis where the nature and extent of a farmer's loss justifies the granting of such credit. It should be noted in this connection that the growing demand for some disaster loan legislation was reflected again this year, in resolutions coming before the federation's annual convention. Because of the fact that there is no existing credit legislation to cover emergency situations of this kind, it is a matter of the most immediate and vital importance that such legislation be provided. The extensive losses due to frost suffered by strawberry and other fruit, vegetable and flower growers in B.C. is a case in point, and the damage was sufficiently severe that U.S. coastal states, struck by the same frosts, were declared emergency disaster areas by the United States government.

I want to make it clear that these farmers, like the farmers in other areas, are not asking for handouts. I just want to refer to the brief of a group of Fraser valley small fruit farmers presented to the minister of agriculture of the province of British Columbia

with regard to the freeze-out of small fruits and allied crops. On page 4 there is this significant statement:

> When a large group of farmers are in financial straits, all businesses in their communities suffer likewise but if financial aid is forthcoming to the farmer, he, and his community, can carry on at a nearer to normal level. Although suffering great losses, the berry growers at the aforementioned meetings stated they did not wish to receive grants in the form of financial aid but rather, as a free enterprise industry, they stand on their own feet and meet this crisis in the normal manner of securing a loan to rehabilitate themselves.

Let me therefore state again that they are not asking for just a handout but that they are asking that credit facilities be placed at their disposal whereby they can again get into business and carry on with the normal processes of agriculture. Just to make this point clear and to emphasize what their request really is, I refer to page 2 of the brief prepared for the federal Minister of Agriculture (Mr. Gardiner) for the government of the Dominion of Canada and submitted by this delegation that was down here recently. The brief states as follows:

> It is with the above serious situation in mind,—

They are referring to the losses and also to the cost of rehabilitating the industry:

> —we formally request the government of the Dominion of Canada to take steps to prepare the necessary legislation which will make immediately available long term low interest loans and/or government backed bank loans to those sections of the agricultural industry who require assistance.

Mr. Speaker, I have given some consideration to various measures, wondering whether it would be possible to fit this objective in within the framework of any of the existing legislation such as the farm loan act or the farm improvement act, but it seems as though some amendment will be necessary in order to accomplish that objective. I may be wrong in my deduction but it would appear to me that that would be the case. Just to mention some of the obstacles in the way of coverage through the farm loan act, there is the matter of the first mortgage; and I might say that this would constitute an extremely serious handicap or obstacle because of the fact that there are a number of the farms that already are mortgaged. Again, the assessed value of farms under this particular measure are still too low to bring the necessary help to these farmers. Certainly the interest rates are far too high. That matter has been mentioned in other connections as well. Then there is the matter of the time required to appraise all the farms that would be affected in these particular circumstances. I notice that under the regulations the assessments would be made between May 1 and December 1 and, they state, not while any snow was on the ground. Unfortunately we still have some snow in British Columbia, I understand. Nevertheless, the delay that would be occasioned by assessing all these individual farms would carry the matter far beyond the time when assistance would bring the desired results.

As we look at the particular act I have mentioned, it seems as though its provisions would not be sufficient to bring the assistance that is needed. It may be possible, I am not sure, that under the Farm Improvement Loans Act some assistance may be given. But again, I have been unable to see just where these conditions would fit in under the regulations made under that particular measure.

Coming back, Mr. Speaker, to the meeting of the delegation with the Minister of Agriculture (Mr. Gardiner) I may say they were under the impression—perhaps the minister will correct me if I am wrong or if they are wrong—that the minister said that so far no proposals had been forthcoming from the provincial government.

Mr. Gardiner: I did not say that, Mr. Speaker, because I had a telegram and a letter from them on my desk.

Mr. Patterson: Thank you, Mr. Minister; that helps a little. But certainly the delegation were of the opinion that that was one of the obstacles. They felt that was one of the things that stood in the way of favourable consideration, the fact that no proposals had been received from the provincial government.

Mr. Gardiner: I might give the whole story. When the delegation came to see me, I was under the impression they had received the letter.

Mr. Patterson: Pardon me, I cannot hear.

Mr. Gardiner: When the delegation came to see me, I was under the impression they had already received the letter. I found out the following morning the letter had not gone out from the office, so I sent it over to the hotel.

Mr. Patterson: Thank you. Well, the provincial government certainly had, as the minister states now, made some representation. I know they were subjected to a little criticism in some sections of British Columbia because they had not backed up the growers' request. The reply the minister gave to my first question was that he had received a communication from the provincial government in that respect.

I should like to refer to the proposals the provincial government made to the federal

government. I have a copy of the telegram that was sent to the minister on February 4, in which the British Columbia minister of agriculture referred to his previous letter of January 17 concerning abnormally heavy losses of small fruit plantings in this province resulting from unusually heavy freezing. The telegram goes on:

> I am directed to advise you government of British Columbia prepared initiate legislation authorizing agreements with government of Canada along following lines quote when abnormal conditions of drought flood or frost cause losses of crops over an area sufficiently large in the opinion of the minister to cause a condition jeopardizing livelihood of substantial number of producers concerned and seriously affecting economy of that portion of the province or where in a livestock producing area the same conditions create similar situations the minister may declare such area a distress area. Government of British Columbia prepared following declaration and gazetting any such area enter into agreement with government of Canada share equally in guarantee to chartered banks against loss from loans made to bona fide farmers in the area within specified time under Farm Improvement Loans Act or other appropriate legislation for purpose of replanting or purchasing feed for livestock. Guarantee would apply only to loans made to producers where farm operation concerned major source of income. Guarantee would not apply areas where other federal or provincial legislation provided insurance against any or all conditions indicated unquote. My government will appreciate earliest possible consideration this matter and advice your government prepared to collaborate in such a policy of rehabilitation and assistance. Would appreciate you arranging have senior officials your department and department of finance visit this province to confer with us.

That is one telegram. Then another telegram, of which this is a copy, was sent to the Minister of Finance (Mr. Harris). It deals with the same matter and submits somewhat the same proposal. I feel that the growers in these areas have made their representation very clear. I do not think they are asking anything that is not fair. They are only asking that they have placed at their disposal facilities by which they can acquire low interest long-term loans in order to rehabilitate this vital industry. I say that farmers in other areas are receiving such aid. Legislation has been passed for that purpose. I certainly feel that now the growers of British Columbia have made their position clear and presented their request, this government should give careful consideration to their request and come to the assistance of the farmers at this time. I know it will be greatly appreciated by all those who have suffered from this catastrophe.

Mr. Erhart Regier (Burnaby-Coquitlam): I do not intend, Mr. Speaker, to occupy the 40 minutes that I might occupy on this important subject because I realize other members in this house are waiting for an opportunity to endorse, at least I hope they will endorse, the sentiments so ably expressed by the hon. member for Fraser Valley (Mr. Patterson) on behalf of the small fruit growers of British Columbia. I sometimes feel it might be about time the farmers of Canada had a Minister of Agriculture (Mr. Gardiner) who represented other than a wheat growing area. There are far more farmers in Canada who do not grow wheat than there are farmers who grow wheat. Most of the time that is spent in this house on agriculture is devoted to the single subject of wheat. I feel that is regrettable and that the farmers of Canada have wider interests.

Mr. Lesage: How about telling that to your friends?

Mr. Regier: I do not wish to express any disagreement with the needs of the wheat farmers. Granted they have needs, but there are other sections of agriculture that are also under the responsibility of the minister. I feel that ever since he assumed that office he has not paid fair attention to these other sections of Canadian agriculture.

Mr. Gardiner: You ought to follow me around.

Mr. Regier: The minister says I have not been around long enough.

Mr. Gardiner: No, I did not say that. I said you ought to follow me around and see how far I do go.

Mr. Regier: I might inform the minister I have followed his political activities even before the days when he became the federal Minister of Agriculture. I feel that the case, which was so ably brought to the attention of this house by the hon. member for Fraser Valley, is one which merits more serious consideration than has thus far been displayed by the minister. I think the two answers he gave to the hon. member for Fraser Valley as found on pages 997 and 1613 of *Hansard*, are a clear indication of the complete disregard he has for farmers who live in areas of Canada other than the prairie provinces. I was pleased to see him answer on February 9 that the questions involved are under consideration. However, I was disgusted when I saw the reply he gave on page 1613, when he said that it was their intention to see once more the provincial authorities on their return to British Columbia, after which he would probably hear from them again. I do not know whether he had in mind that he would be hearing from them again on the floor of this house. However, I do hope that the rest of the time this evening will be devoted exclusively to letting the minister hear from the farmers on the floor of this house.

We in the C.C.F. group are ever willing to support any section of the Canadian population that is adversely affected by conditions beyond their control. We are on the record on innumerable occasions asking the government to help our people who are adversely affected. Only the other day I indicated that I was in full accord in the main with the activities of the fisheries prices support board. We have been consistent supporters of the Unemployment Insurance Act, under which workers who lose their source of income through no fault of their own are assured of at least a minimum income. In this instance several thousand farmers have suffered terrific losses. I am not going to bother the house with any figures. The hon. member for Fraser Valley has ably placed them on the record. However, when you have a group of farmers whose plants have been wiped out to the extent of 75 per cent to 80 per cent, who have no hope of income in 1956, and very little hope of any income in 1957, I feel the subject should not become a matter of political expediency, as I am afraid this may well have become.

I noted the remarks of the hon. member for Fraser Valley with regard to how these farmers might possibly be helped. I do not need to comment upon that. I am sure the minister is resourceful enough to find ways and means of using the existing legislation, or asking the house to amend existing legislation, so that the help that is asked for might be forthcoming.

I should like to remind the government that if this catastrophe had hit almost any other section of the Canadian economy the people would have been running to Ottawa asking for a handout. I should like to commend the berry growers on their modest appeal. On page 4 of the brief that they prepared initially for presentation, as is proper, to their own minister of agriculture in British Columbia, they said:

> They did not wish to receive grants in the form of financial aid.

Farther on they said:

> They stand on their own feet and wish to meet this crisis in the normal manner of securing a loan to rehabilitate themselves.

I would have thought that an appeal of such a nature might find some measure of response.

I notice in the press that the attitude of the government seems to be that this is something that is not beyond the abilities of the government of British Columbia to deal with. I agree it is not beyond the abilities of the government of British Columbia adequately to meet the situation. However, Mr. Speaker, I see no reason why the government of British Columbia should be asked to assume the whole responsibility of helping these farmers. In many other instances we have had the federal government helping out where the provincial government was also able by itself to take care of the situation. I am thinking of the flash flood that occurred in the city of Toronto at the time of "Hurricane Hazel". Nobody can tell me that the government of Ontario was so hard up that it would have been unable to meet the situation. However, the federal government—and I am pleased to note this—did not hesitate to share a part of the load at that time. I can think of a number of other disasters that hit people in various parts of Canada, and the local governments were well able to look after the situation. I cannot blame the government of British Columbia for asking the federal government to share the risk that might be involved in meeting these very modest demands of the berry farmers on a fifty-fifty basis.

If I have any complaint at all about the government of British Columbia in this matter it is that it introduced a bill in the British Columbia legislature and obtained the consent of that legislature under which the government is authorized to spend up to a certain amount of money to guarantee loans to those farmers if the federal government will share the risk with them. I feel that the condition which they attached to their bill completely ties their hands so that in the event that Ottawa turns them down—and I hope Ottawa will not turn them down in the long run—the British Columbia government will be unable to render the help that these farmers so badly need.

I feel the British Columbia government made a mistake. They should have left the door wide open so that if the Minister of Agriculture (Mr. Gardiner) continues to think this is a relatively unimportant problem, unworthy of his attention, the government of British Columbia would be able to act on its own and look after the situation.

I know the favourite reply that we often get from the government on difficulties of this kind. It is that if people cannot make their living in this way they should turn to something else.

Again I should like to refer to the brief—I will not read it—which very adequately points out why these berry farmers are unable to follow the advice that is so glibly given to them to start growing vegetables or potatoes. They point out that they are unable to render effective competition to the mass produced vegetables from other more favourable areas of the province and south of the border. There might be some substance to the advice to them to plant something else if the Minister of Trade and

Commerce (Mr. Howe) would be a little more considerate of the vegetable and potato growers of British Columbia. If his tariff policies were such that they might have reason to believe that they could make a living by growing vegetables and potatoes, I am sure the farmers would gladly comply. However, as in most other respects, he seems determined to sell out Canadian interests to United States interests. Therefore, in effect, this advice to the berry farmers to grow vegetables and potatoes is ill founded, and I do not blame the berry farmers for hesitating to switch to anything else. The replantings of strawberries and raspberries are needed at the present time. The market is running short and we have to import these fruits. I think the growers have a good case when they say their future depends on the replanting of their traditional crops.

I have taken some 15 minutes, Mr. Speaker, to make these few remarks. As I indicated before, there are other speakers who are at least as concerned about the problem as I am, and in concluding I would like to repeat the plea to the Minister of Agriculture (Mr. Gardiner) that he consider other sections of Canadian agriculture besides the prairie provinces. I should also like to address a plea to both the Social Credit and the Liberal parties not to play politics with each other at the expense of the berry farmers of British Columbia.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, the hon. member for Fraser Valley (Mr. Patterson) suggested that I would be complimentary but he did not indicate whether that was going to be spelled with an "i" or an "e". I am satisfied that the hon. members in this house, as stated by the hon. member for Burnaby-Coquitlam (Mr. Regier), recognize what a fine job he did in presenting the case of the fruit growers of the lower Fraser valley and Vancouver island as well, of course.

The hon. member for Burnaby-Coquitlam suggested there might be some playing of politics between the Liberal and Social Credit parties in respect to this matter.

Mr. Regier: I said I hoped there would not be any.

Mr. Hahn: Thank you. I think if the hon. member were completely familiar with what was taking place with respect to the conditions in which this brief was presented to the federal government at least he would recognize that nobody was playing politics with this particular group of people. I for one would very much condemn any group who would feel that this is a good time to play politics especially when these people are finding things so difficult and when they need so much help in order to get back into business once again.

The hon. member for Fraser Valley did mention one point I would very much like to complement, and here I use the "e" spelling, and that is the loss that would be incurred from 1955 to 1960 as referred to in the brief that was presented to the federal minister of agriculture. This amounts to $17,244,570. That is a long-term loss which is going to be incurred over the next few years unless these fruit growers go back into business immediately. The most important part of the difficulty, of course, is getting them re-established. It is not a matter of an over-all loss of $17 million at this time but it will mean a loss of production in that amount.

The hon. member for Burnaby-Coquitlam indicated that he did not wish to take too much time in making his remarks because he felt there would be others who would want to take part in this discussion. I am most interested in hearing from the Minister of Agriculture in order to see whether or not he has given any further consideration to this particular question, and therefore I hope to make my remarks brief and give him an opportunity to reply. In respect to this question, however, the minister indicated earlier today that he received a representation from the delegation of fruit growers which approached him. He told them that the problem was a provincial one. In listening to him I was under the impression that he said if the British Columbia government passed enabling legislation something might be done in this matter.

The hon. member for Burnaby-Coquitlam (Mr. Regier) indicated today, and I was advised earlier, that there is legislation on the statute books of British Columbia. I am not sure that what he said is completely correct, but I suppose it is, but he indicated that the British Columbia government is prepared to back bank loans to be made to farmers to set them up in business again. I would be interested in discovering whether the federal government is prepared to assume its share of losses if any are incurred in the repayment of these loans at future date. Is it willing to accept its responsibilties?

The delegation which came to visit the Minister of Agriculture (Mr. Gardiner) was received most kindly. As the hon. member for Fraser Valley (Mr. Patterson) indicated, they were quite optimistic the first day they were here. I understand it was suggested that they remain overnight to see the Minister of Finance (Mr. Harris). It would appear to me that the purpose would be to see a member

of the treasury board to discover whether or not means could be found of passing the buck. I was not just sure which way it was going to turn out. However, when they returned the next day the members who interviewed the Minister of Agriculture decided that the buck was being passed back to the provincial government.

An hon. Member: It was passed the other way.

Mr. Hahn: The buck was passed from the federal government to the provincial government. It is a little difficult to understand these things.

An hon. Member: It will not sink in.

Mr. Hahn: It will sink in about the next election.

An hon. Member: This would not be a political speech you are making?

Mr. Hahn: No, this is not a political speech; I simply want to ask the support of Liberals in this house on this matter. That is all I am asking for on behalf of the people of British Columbia. British Columbia is my province and it is the province of the hon. member who is making these interjections.

An hon. Member: The provincial house is sitting.

Mr. Hahn: The fact of the matter is that this is an opportunity to bring this matter to the attention of the Minister of Agriculture as I am doing at this time. It is my intention to try to get from the minister a statement as to whether or not he is prepared to give the assistance asked for by the fruit and berry producers provided the British Columbia government passed the necessary enabling legislation. It may be that this legislation is not exactly what the minister hopes for. If it is not, I hope he will tell us when he gets up just what kind of legislation he expects the province of British Columbia to pass so that in future they can be guided.

As the hon. member for Burnaby-Coquitlam indicated, I am satisfied that these farmers want only an opportunity to borrow money. I checked the farm loan act and the Farm Improvement Loans Act to see if there was anything that could be used. It may be that either one of these acts requires amending and it may be that the minister intends to bring in such amendments. We have not yet seen the Farm Improvement Loans Act amendments. In any event I am satisfied that the question is an urgent one and needs attention today, not tomorrow. This is not one of those things that should be allowed to run over for a few years.

The fact that there may be no berry crop in British Columbia will be felt not only in that province but by the housewives of Alberta, Saskatchewan and the western part of Manitoba. The people in those areas get most of their berries from that particular region. I am quite familiar with this because I was in the business of selling groceries on the prairies. I lived for a time in Medicine Hat and I saw berries which had come from Mission in British Columbia. I am quite satisfied that if you were to go over the province of Saskatchewan and western Manitoba you would find that they get a good portion of their fruit from that particular region.

The urgency of this question is apparent. In the Vancouver *Province* of January 9 there was an article entitled "Fruit, Nurserymen Seek Frost Loss Aid". I have not the time to read all of this article, but there are one or two points that I think should be brought out. It states:

> "Full extent of the damage is only now becoming apparent," said R. H. Williams of Victoria, president of Vancouver Island Nurserymen's Association.
>
> "Fraser valley strawberry growers alone have lost 16,000,000 plants", he claimed.
>
> "That alone is a disaster. It means they can produce no crop this year even if the plants are replaced."

The Department of Agriculture operates an experimental farm at Agassiz and undoubtedly the minister has been advised by the officials of that farm, who are most efficient in their way, that their nursery stock is gone, that they have no berry plants which might be supplied to the lower Fraser valley. If we are going to get plants it is necessary that enabling legislation be passed now or some form of assistance be made available to these farmers. This should be done now, not later in the year, because this is the time when farmers must set out new plants, otherwise they will lose another full year. This article goes on:

> The position of the B.C. industries is worsened "because competitors in Washington and Oregon are to get federal aid," said another man.
>
> "Those states, which also suffered in the frost, were declared to be disaster areas. So their growers' losses are being made good. We shall face their competition at a time when we can't possibly meet it unless we get help."

These particular farmers are not asking for financial help in the form of a grant; they are not asking for $30 million in the form of storage facilities or anything like that; all they want is what this government has been trying to press upon the farmers of the prairie provinces, that is, an opportunity to borrow. The government suggested that the prairie farmers be granted loans instead

of advances, but these people do not want advances. All they want is the opportunity to borrow, and I submit that they have a just claim.

My grievance is that no means are made available whereby these people who are distressed may be able to stay in business. With this in mind, on January 30 I placed on the order paper a motion reading as follows:

> That, in the opinion of this house, the government should consider the advisability of setting up a committee composed of federal, provincial and municipal authorities or their representatives for the purpose of studying the problems of and determining what constitutes a disaster area in Canada.

I do not intend to debate that particular resolution at this time. As the hon. member for Burnaby-Coquitlam mentioned earlier, it was considered desirable to give the people who suffered from "Hurricane Hazel" some assistance, and I submit that the same considerations should apply here. Only 3 per cent of the land of British Columbia is arable and most of the farmers of the province live in this particular area on 3,500 small farms. Those farmers are in dire need.

It is just twelve minutes to ten o'clock and I have only two short items that I wish to place before the minister in respect to this matter. The first is in the form of a brief, a copy of which I am satisfied the minister has. This reads in part:

> It is with the above serious situation in mind, we formally request the government of the dominion of Canada to take steps to prepare the necessary legislation which will make immediately available long-term low interest loans and/or government backed bank loans to those sections of the agricultural industry who require assistance.

We hear a great deal about the federation of agriculture and the requests that it has made to the minister and the government. Reference has been made to some of those requests at an earlier date. The February 1956 issue of *Country Life* in British Columbia, a British Columbia publication, had this to say:

> To meet disastrous situations a special type of federal government credit agency should be formed to be known as the agricultural emergency loan administration.

I do not intend to read any more of that because I am satisfied the minister is fairly familiar with it because he has been listening to the debates in this house. I feel quite sure that it would not be necessary to pass a completely new act as other means must be available or the Farm Improvement Loans Act could be amended in order that money could be put into the hands of these farmers so that they could put in their berry plants. I should like to have the minister comment upon the legislation the British Columbia government has passed in respect to making loans available to these farmers.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, one of the hon. members who spoke a few minutes ago made the suggestion that we should do the same for farmers everywhere as we do for the wheat farmers, that we should give them the same consideration. This particular matter has to do with the obtaining of plants to be planted at the right time of the year for those who have had plants destroyed by frost.

We have had similar situations on previous occasions on the prairies and in other parts of Canada and they have always been looked after by the provincial governments. Someone said something about politics in connection with this, but it has not made any difference what political party was in power in the particular province. As I say, matters of this kind have been looked after by the provinces and provincial legislation has taken care of them.

For example, during the years when they had no crops on the prairie provinces and it was difficult to obtain seed, provision for obtaining that seed was made by the provincial governments at a cost of millions of dollars.

An hon. Member: Who paid for it?

Mr. Gardiner: Someone asks, "Who paid for it?" Members from Saskatchewan who are here ought to know who paid for it because it was partly on that issue that they won the province. The provincial governments paid the bill right through.

The matter of dealing with people in British Columbia will be handled just the same as it is anywhere else in Canada. All that was suggested to them was that this was a matter in connection with which the provincial government should take action. Even the delegation which was here understood that. The first letter that I had from the delegation was to the effect that they had seen the provincial government and they did not think that government was going to assume their responsibilities and therefore they came to us. When they got here I discussed the matter with them as I would discuss any matter with anyone who came here. I told them that the matter would be taken up with the treasury and others and I would give them an answer the following day. As I stated a few moments ago, I found that the letter which it was intended should go forward to them before had not left the office. I sent it to the hotel, and they obtained it, I presume, either that night or the following morning. I am not sure they actually came

back, but if they did they were only there for a very short time. But the suggestion was that they should discuss the matter further with the province, and we expected that we would probably hear more about it. So far as I know, we have not heard any more about it, and I assume somebody out there is dealing with the problem.

It is purely a provincial matter and always has been. The federal government never does say in connection with any matter brought in from the provinces that we will not even consider it. We listen to what they have to say, and, where it is a matter that should be looked after provincially, we simply say that, and sometimes that is the last we hear of it. At other times the province takes action and still asks us to help pay for it. In this particular case, as the hon. member has just said, it is a matter of guaranteeing loans of a certain kind in order to be able to buy plants. It is much the same in principle as the loans that were made to farmers to permit them to buy seed in other parts of the country. They eventually pay off these loans in some way or other.

I do not know that there is anything more I can say about it. I do not know whether or not we shall hear any more about it. If we do, we shall give whatever consideration we can to it and give advice along the same lines as in other parts of Canada. We are not going to make an exception of the case. We do not think this is something that is so costly or so difficult to arrange that the province is not able to do it. Knowing, as we do, it is a responsibility of the provinces, we think they should take action.

UNEMPLOYMENT INSURANCE

Mr. J. C. Van Horne (Restigouche-Madawaska): In the remaining few minutes I should like to deal very briefly with a problem that has become increasingly important in northern New Brunswick. It has to do with unemployment insurance.

The information I have gathered in the survey I have made across the northern part of New Brunswick in regard to unemployment insurance comes from employees and officials employed by the unemployment insurance commission itself. One of the gravest problems with which we have to deal is the fact that we do not have reciprocity in regard to unemployment insurance with the state of Maine.

The state of Maine is one of two states in all the United States of America that does not have unemployment insurance reciprocity with Canada. At the moment 1,800 men from the county of Madawaska and 6,000 men from all over Canada have been employed in Maine and are being denied unemployment insurance merely because this government has not taken steps to enter into reciprocity agreements with the state of Maine or, if it has entered into negotiations with the state of Maine, they have not been successful in getting that state to accept reciprocity with Canada. Our people who work there have to pay unemployment insurance; yet when they come back home they cannot collect unemployment insurance benefits.

Another very great problem, which I think has been brought up by several members on the other side of the house recently, had to do with the directives of the unemployment insurance commission in forcing men to go many hundreds of miles away from their homes to work under conditions that prohibit them from earning enough money to live, let alone enabling them to buy their tickets back home. Four hundred or five hundred people from the county of Restigouche were requested to go to La Tuque to cut pulpwood. Some did go, but were unable to earn enough money to buy their tickets back home. Some of them suffered many hardships, having to live in camps where they were improperly treated and the food was insufficient.

As I think has been brought up by several Liberal members recently, this dictatorship in the unemployment insurance commission must be forced to cease immediately. We cannot continue to force our people to accept employment many hundreds of miles away from their homes under conditions that prevent them from earning a living.

Another matter I wish to bring out this evening is this. Until two years ago, people cutting pulpwood on farms, that is, cutting pulpwood for farmers on farmers' lots, were able to get unemployment insurance. Two years ago this was abolished. I do not know why, but one thing is very certain. There was some suggestion at the time that abuses had crept in. I ask, are we going to prohibit driving on our highways because the odd man exceeds the speed limit? Are we going to abolish credit because the odd man does not pay his bills? Are we going to prohibit one class of people from unemployment insurance because possibly a few abuses have occurred? I am not denying those abuses, but I am saying that they in themselves, however true, are not sufficient to deny these people unemployment insurance benefits as a group.

Another point I wish to bring out in the next few minutes that remain to me is this. When I asked the Minister of Labour some weeks ago questions regarding unemployment insurance, the information that I had and on which my question was based came from officials and employees in the unemployment

insurance offices themselves. They were bombarded with complaints and questions because of the tie-up and delays that were occurring in the unemployment insurance office in Moncton. This was very true. The minister answered my question three weeks after I asked him. There is no question but that in that time action had been taken to remove the causes of delay.

If the minister had taken time to inquire, he would have found out also that the R.C.M.P. had been sent to the Campbellton office to inquire and investigate and be on hand when a disturbance there threatened. These items may not appear to you, Mr. Speaker, to warrant the special few remarks that I am making here tonight, but I say that with all the approximately 6,000 people on unemployment insurance in northern New Brunswick, mostly in my riding, there are another 4,000 or 5,000 people in my riding who should be entitled to unemployment insurance benefits and who are not receiving them.

Hon. Milton F. Gregg (Minister of Labour): I just want to touch upon two points made by the hon. member. One was that the Minister of Labour had delayed for two weeks before replying to the hon. member's question. I did delay for a total of seven sitting days. I delayed for those seven sitting days because it was not until then that the hon. member was in his seat to receive an answer to the question.

Mr. Van Horne: Would the minister permit a question?

Mr. Speaker: It is now ten o'clock. Do hon. members—

Mr. Van Horne: I move the adjournment of the debate.

Mr. Speaker: The hon. member cannot speak twice. Having spoken once he cannot later intervene in the debate, even for the purpose of moving the adjournment. I should like to submit to hon. members that there are being carried over from a former debate ten minutes which may be carried over again unless hon. members give unanimous consent to spend those ten minutes now. If hon. members are not agreeable, they will be carried over.

Mr. Drew: Can they be carried over?

Mr. Speaker: As it is ten o'clock, is it the pleasure of the house to adopt the main motion?

Some hon. Members: Agreed.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

235. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $143,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of The Financial Administration Act to authorize total commitments for the foregoing purposes of $3,470,423,461 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,675,484,744 will come due for payment in future years), $1,722,797,717.

Mr. Harris: Stand.

Item stands.

DEPARTMENT OF PUBLIC WORKS

344. Departmental administration, $1,128,150.

Mr. Harris: Stand.

Item stands.

DEPARTMENT OF VETERANS AFFAIRS

498. Departmental administration, $2,215,472.

Mr. Harris: Stand.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the motion to set up the committee on atomic energy, then the second reading of the bill to amend the Canadian Farm Loan Act, then the resolution in my name with respect to farm improvement loans.

Mr. Knowles: Would the minister care to tell us what will happen on Thursday?

Mr. Harris: Yes. We will take the Trans-Canada pipe line resolution on Thursday.

It being two minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

DRAINAGE AND CONSERVATION PROJECTS, MANITOBA

Question No. 76—**Mr. Zaplitny:**

1. Has the government, or any department thereof, entered into an agreement with the government of the province of Manitoba, or any department thereof, for the purpose of constructing or maintaining drainage and/or conservation projects in 1956?
2. If so, what amount of money has the government committed under the said agreement?
3. What is the nature and location of each such project?
4. What amount of money is the government to contribute with respect to each said project?

Answer by: **Mr. Pinard:**

1. No.

2, 3 and 4. See answer to No. 1.

TREASURY LIABILITY WRITE-OFF, SASKATCHEWAN

Question No. 143—**Mr. Leboe:**

What is the total dollar value of treasury bills and other liabilities of the Saskatchewan government that have been cancelled by the dominion government since 1944?

Answer by: **Mr. Harris:**

Pursuant to the provisions of the Western Provinces Treasury Bills and Natural Resources Settlement Act, chapter 77 of the statutes of 1947, treasury bills of the province of Saskatchewan in the amount of $36,336,797.79 were written off in the fiscal year ended March 31, 1948.

RESERVE ARMY STATISTICS

Question No. 211—**Mr. Bell:**

What was the strength of the militia (formerly reserve force), and the number of said personnel attending summer camp in 1953, 1954 and 1955, by commands?

Answer by: **Mr. Campney:**

Average monthly strength of the militia by commands:

	1953	1954	1955
Eastern	8,052	7,698	7,324
Quebec	10,385	10,645	10,344
Central	15,815	15,581	14,992
Prairie	5,414	5,270	5,840
Western	7,125	6,909	7,260
Total	46,791	46,103	45,760

Questions

Summer camp attendance of the militia by commands:

	1953	1954	1955
Eastern	2,588	2,070	3,750
Quebec	3,255	2,588	4,398
Central	5,964	8,702	7,561
Prairie	1,212	1,312	2,245
Western	1,549	1,921	2,614
Total	14,568	16,593	20,568

C.B.C. "TABLOID" PROGRAM, FEBRUARY 6

Question No. 225—**Mr. Fleming:**

1. Did the Canadian Broadcasting Corporation telecast on CBL-T.V. "Tabloid" program on Monday, February 6, a film of a marriage which was solemnized on February 4?
2. If so, who approved of this broadcast on behalf of the Canadian Broadcasting Corporation?
3. Was any remuneration paid to any of those participating in the ceremony?
4. What was the cost of the program, by items?
5. Are any more of such programs contemplated?
6. Does the government consider such programs in good taste on television?

Answer by: **Mr. McCann:**

The Canadian Broadcasting Corporation advises as follows:

1. On February 6, "Tabloid" carried filmed sequences, of approximately six minutes duration, which dealt with the wedding of one of the participants regularly appearing in the "Tabloid" program.

2. This broadcast was approved by the Canadian Broadcasting Corporation, which has full responsibility for it.

3. No.

4. Total cost of "Tabloid" program for this occasion:

Performers' fees	$190.00
Production staff, studios, and technical facilities	337.00
Staging and design	48.00
Film	186.00
Total	$761.00

5. No.

6. The Canadian Broadcasting Corporation is not in a position to answer this question.

SUFFIELD EXPERIMENTAL STATION, RALSTON, ALTA.

Question No. 226—**Mr. Monteith:**

What was the name of the successful bidder and what was the tender price for the following equipment required for the Suffield experimental station of the defence research board at Ralston, Alberta, which tender was let under the approximate date of February 16, 1956, (a) one only, soaker bottle washer, Girton model 49SA 6 wide; (b) one only, model 5A Fort Wayne filler and capper?

Questions

Answer by: **Mr. Howe (Port Arthur):**

(a) A.P.V. (Canada) Equipment Limited, Toronto, Ontario—$3,700.

(b) A.P.V. (Canada) Equipment Limited, Toronto, Ontario—$2,000.

WHEAT STORAGE STATISTICS

Question No. 227—**Mr. Diefenbaker:**

How much wheat of each of the following grades: (a) No. 4; (b) No. 5; (c) No. 6; (d) lower than No. 6, and including feed, was in storage in, (i) local elevators; (ii) terminals; (iii) all other storage facilities, except wheat stored on farms, on the following dates: (a) August 1, 1955; (b) October 1, 1955; (c) February 1, 1956?

Answer by: **Mr. Howe (Port Arthur):**

	(i) Local elevators bu.	(ii) Terminal elevators bu.	(iii) Other storage positions bu.
(a) July 31, 1955			
(a) No. 4 north'n	19,284,130	6,270,635	7,341,817
(b) No. 5	28,628,549	9,164,135	994,275
(c) No. 6	10,103,964	3,293,670	77,509
(d) Feed	Information not available	1,836,704	83,167
(b) September 28, 1955			
(a) No. 4 north'n	*Information not available	9,329,137	7,504,767
(b) No. 5	"	12,602,335	1,870,846
(c) No. 6	"	4,029,129	203,205
(d) Feed	"	1,917,966	20,319
(c) February 1, 1956			
(a) No. 4 north'n	*Information not available	10,154,120	7,618,899
(b) No. 5	"	9,548,578	6,376,884
(c) No. 6	"	2,108,660	2,530,034
(d) Feed	"	282,695	156,407

* Detailed information as to the grades of grain in storage in the different country elevators is only obtained at the end of the crop year.

T. V. PROGRAMS, C.B.C.

Question No. 230—**Mr. Dufresne:**

1. What are the names of the producers of the following television programs: (a) "Plainte contre Inconnu"; (b) "Le Chant du Rossignol"?
2. Who authorized these programs?
3. What is the cost to the Canadian Broadcasting Corporation of the two above mentioned programs?

Answer by: **Mr. McCann:**

The Canadian Broadcasting Corporation advises as follows:

1. (a) Georges Groulx; (b) Jean St-Jacques.

2. These programs were authorized by the Canadian Broadcasting Corporation which has responsibility for them.

3. (a) "Plainte contre Inconnu", $17,024; (b) "Le Chant du Rossignol", $16,715.

NATIONAL PARK SPORTS FACILITIES

Question No. 235—**Mr. Johnston (Bow River):**

1. Are there any national parks in Canada provided with golf courses, lawn bowling greens or tennis courts, owned or operated by the federal government?
2. If so, where are they?
3. How long have they been so operated?

Answer by: **Mr. Lesage:**

1. Yes.

2 and 3.

(a) Golf courses have been in operation in the following parks since the date indicated:

Waterton Lakes (1922); Riding Mountain (1931); Elk Island (1936); Prince Albert (1934); Prince Edward Island (1939); Cape Breton Highlands (1940); Fundy (1950).

(b) Lawn bowling greens have been operated in the following parks since the date indicated:

Riding Mountain (1948); Prince Edward Island (1950); Prince Albert (1950); Elk Island (1954); Fundy (1952); Cape Breton Highlands (1951).

(c) Tennis courts have been operated in the following parks since the date indicated:

Prince Edward Island (1940); Riding Mountain (1932); Prince Albert (1933); Jasper (1950); Waterton Lakes (1925); Georgian Bay Islands (1952); Elk Island (1954); Fundy (1951); Cape Breton Highlands (1941).

Note: In addition to the golf courses listed above, a golf course is operated in Jasper park by the Canadian National Railways and in Banff park by the Canadian Pacific Railway. These courses are open to the general public on the payment of green fees.

CIVIL SERVICE REGULATIONS—SECTION 86

Question No. 244—**Mr. Balcom:**

1. How many civil service employees are covered by section 86 of civil service regulations?
2. How many postal employees are covered by section 86 of civil service regulations?

Answer by: **Mr. Pinard:**

1. 53,729.

2. 18,702.

OLD AGE SECURITY STATISTICS

Question No. 252—**Mr. Smith (Battle River-Camrose):**

1. How many people in Canada were receiving old age security on January 1, 1956?
2. How many non-citizens of Canada were receiving old age security on January 1, 1956?

3. How many of these non-citizens of Canada receiving old age security are citizens of the United States, France, Germany, Scandinavia, Russia, Belgium, Holland, Italy and others?

Answer by: **Mr. Martin:**

1. 768,188.

2. Eligibility for old age security pensions depends solely on age and residence. No information is required from applicants regarding citizenship. It is therefore not possible to state what number of pensioners are non-citizens of Canada.

3. Answered by No. 2.

IMPORTS, 1955—BUTTER, CHEESE, ETC.

Question No. 260—**Mr. Hodgson:**

1. How much (a) butter; (b) cheese; (c) margarine; (d) vegetable oil, was imported into Canada in 1955?
2. From what countries and what amount from each country?

Answer by: **Mr. Howe (Port Arthur):**

1 (a, b and d) and 2. The amounts by countries of butter (statistical classification 2282), cheese (statistical classification 2284), and vegetable oil (statistical classifications 231 to 236 and 1601 to 1627), imported into Canada during the calendar year 1955, were as follows:

Country	Butter Lb.	Cheese Lb.	Vegetable oil Cwt.
United Kingdom ..	4,999	39,109	131,955
British East Africa	—	—	451
India	—	—	108,417
Ceylon	—	—	306,615
Nigeria	—	—	19,072
Jamaica	—	—	85
Leeward and Windward Is.	—	—	10
Malaya and Singapore	—	—	103,183
Hong Kong	—	—	3,349
Australia	—	11,126	102
New Zealand	—	5,501,230	—
Argentina	—	128,340	25,421
Austria	—	1,834	—
Belgium	—	—	500
Belgium Congo ...	—	—	154,990
Brazil	—	—	56,473
China	—	—	4,280
Denmark	—	1,472,798	—
Finland	—	14,161	—
France	—	359,178	1,022
French Africa	—	—	551
Germany West ...	—	46,261	367
Greece	—	11,656	1,003

Questions

(Table Con.)

Country	Butter Lb.	Cheese Lb.	Vegetable oil Cwt.
Haiti	—	—	16
Indonesia	—	—	70,780
Italy	—	1,482,194	14,505
Japan	—	—	3
Mexico	—	—	28
Morocco	—	—	220
Netherlands	—	1,009,566	6,614
Norway	—	76,577	—
Paraguay	—	—	49
Portugal	—	—	9
Spain	—	—	6,087
Sweden	—	7,822	—
Switzerland	—	1,629,186	223
Ireland	—	—	50
United States	6,572	923,988	754,522
Totals	11,571	12,715,026	1,770,952

1 (c) and 2. Imports of margarine prohibited.

CANADIAN BOOK CENSORSHIP

Question No. 272—**Mr. Knight:**

1. Who is the chief censor of books for Canada?
2. What reading staff is maintained for the purpose of censorship?
3. Who are these readers?
4. Who makes the final decision in a borderline case?
5. How many books were refused admittance to Canada in 1955?
6. What, by categories, were the grounds upon which entry was refused?

Answer by: **Mr. McCann:**

1. There is no chief censor or censorship board in the Canadian government.

2. See answer to No. 1 above.

3. See answer to No. 1 above.

4. See answer to No. 1 above.

5. In 1955, 140 books were prohibited entry into Canada under tariff item 1201 which reads: "Books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious, or of an immoral or indecent character".

6. The books referred to in 5 above were classified as immoral or indecent under tariff item 1201.

HOSPITAL COSTS

Question No. 273—**Mr. Nicholson:**

For 1943 and 1953, what was the estimated cost per patient per day in the following hospitals: (a) mental; (b) t.b.; (c) public?

Questions

Answer by: **Mr. Howe (Port Arthur):**

Estimated cost per patient per day (Canada average):

	1943	1953
	$	$
(a) Mental	0·98	2·70
(b) T.B.	2·76	6·29
(c) Public	4·08	10·77

HOSPITAL STATISTICS

Question No. 275—**Mr. Nicholson:**

For the last year for which statistics are available of the number of patient days spent in Canadian hospitals, how many and what percentage were in the following: (a) mental hospitals; (b) psychiatric wards in hospitals; (c) t.b. hospitals; (d) public hospitals; (e) federal hospitals; (f) private hospitals?

Answer by: **Mr. Howe (Port Arthur):**

Patient days, 1953	No.	p.c.
(a) Mental hospitals	21,722,911	39·72
(b) Psychiatric wards in hospitals	488,268	0·89
(c) T.B. hospitals	5,828,000	10·66
(d) Public hospitals	23,056,858 (1)	42·16
(e) Federal hospitals	2,740,063 (2)	5·01
(f) Private hospitals	853,324 (3)	1·56
Total	54,689,424	100·00

(1) Excludes 18,155 days included in (b).

(2) Excludes 470,113 days included in (b) and 667,609 days included in (c); includes fiscal year 1952-53 figures for five hospitals with a total of 11,127 days.

(3) Excludes 108,935 days included in (a) and 870 days included in (c).

HOUSE OF COMMONS

Wednesday, March 14, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. FLEMING—ANSWERS TO FORMAL QUESTIONS ON C.B.C. "TABLOID" PROGRAM

Mr. Donald M. Fleming (Eglinton): On a question of privilege, Mr. Speaker; in yesterday's *Hansard,* at page 2115 there are recorded six questions that I placed on the order paper concerning the C.B.C. "Tabloid" program on February 6 of the film of a marriage that was solemnized on February 4. There were six questions and apparently the Minister of National Revenue referred them all to the Canadian Broadcasting Corporation. The answers given yesterday are answers that come from the Canadian Broadcasting Corporation because those answers are preceded by the words, "The Canadian Broadcasting Corporation advises as follows".

Now, the sixth question was:

Does the government consider such programs in good taste on television?

The only answer I have been given is that the Canadian Broadcasting Corporation is not in a position to answer this question. May I have the question answered by the government, to whom I directed the question, as to whether the government considers the programming of a marriage ceremony actually solemnized to be in good taste for television programs?

Mr. Speaker: Perhaps this matter could be dealt with when we reach the orders of the day.

RAILWAYS, CANALS AND TELEGRAPH LINES

SECOND AND THIRD REPORTS OF STANDING COMMITTEE—CONCURRENCE IN THIRD REPORT

Mr. H. B. McCulloch (Pictou) presented the second and third reports of the standing committee on railways, canals and telegraph lines, and moved that the third report be concurred in.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

TABLING OF ANNUAL REPORTS AND BUDGETS

Hon. George C. Marler (Minister of Transport): I wish to inform the house that this afternoon I tabled the annual report of Canadian National Railways for 1955 and the budget for 1956. I am sure all hon. members will be pleased to know that in its operations last year Canadian National realized a surplus of $10,717,689.

I also tabled this afternoon the annual report for 1955 and the budget for 1956 of the Canadian National (West Indies) Steamships Limited. The operation last year resulted in a loss of $95,964, which represents an improvement of $532,446 over the result for 1954. May I be permitted to make a brief statement as to the future operations of the company.

After the company had experienced a very disappointing year in 1953, an impression grew that the government had in mind the termination of the company's operations. My predecessor reassured the house on April 12, 1954, that such was not the government's intention, but said that the results of operations would be carefully considered in relation to the usefulness of the service. Following the consideration of the accounts of the company by the sessional committee on railways and shipping last year, a thorough study was made of the prospects of the company.

Hon. members will recall that until the Canadian National service was started the government had found it necessary to grant substantial subsidies to steamship companies to induce them to provide regular service between Canada and the British West Indies. As the subsidized service was not entirely satisfactory, the government decided to inaugurate a service with Canadian ships. During its 27 years of operation, the Canadian National service incurred annual losses from 1929 to 1940, considerably reduced its accumulated deficit between 1941 and 1948, but experienced further losses after 1948. In 1954, the loss was reduced to about one-half the figure for 1953, and in the year just ended the loss has been a very modest one.

The company has taken measures to reduce operating costs and to develop new traffic, and is expected to participate fully in a gradual increase in the volume of trade between Canada and the British West Indies.

It is anticipated that the service will operate at a loss, but it is expected that the deficits will not average much more than $200,000 per annum and there are reasonable prospects that they may be less. The government believes that this is not too high a price to pay for the continuation of dependable steamship service between Canada and

the West Indies and for the tangible and intangible benefits for our trade and our relations with the British West Indies.

In the circumstances, the government has decided to continue the Canadian National (West Indies) service for at least five years, at which time the subject will again be reviewed in the light of the experience in the intervening time and of conditions then prevailing.

Mr. Speaker, if I have permission of the house, I would now move:

That the annual reports for 1955 of the Canadian National Railways, the Canadian National (West Indies) Steamships Limited, and the Canadian National Railways securities trust, the auditors' report to parliament in respect of the Canadian National Railways and Canadian National (West Indies) Steamships Limited, and the budgets for 1956 of Canadian National Railways and Canadian National (West Indies) Steamships Limited, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government, together with the following items of estimates for 1956-57:

Vote 454 Prince Edward Island car ferry and terminals deficit, 1956;

Vote 460 North Sydney-Port aux Basques ferry and terminals deficit, 1956;

Vote 466 Maritime Freight Rates Act;

Vote 467 Canadian National (West Indies) Steamships Limited deficit, 1956;

and that the resolution passed by the house on January 26, 1956, referring certain estimates to the committee of supply, be rescinded so far as the said resolution relates to votes 454, 460, 466 and 467.

Mr. Bell: Will this mean any new ships for the Canadian National (West Indies) run?

Mr. Speaker: That question could be asked when the orders of the day are called.

Motion agreed to.

[*Later:*]

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): May I ask the Minister of Transport a question arising out of the statement he just made with respect to Canadian National (West Indies) Steamships? Is it reasonable to expect some replacement will be made of the old vessels and if so when will an announcement be made?

Mr. Marler: I might say that no consideration has been given to this matter by the interdepartmental committee which considered the subject of the activities of Canadian National (West Indies) Steamships Limited since the last session of the house. I would suggest to the hon. member that, since he is a member of the sessional committee on railways and shipping, he might take up the subject during the sittings of that committee.

Mr. Bell: Does the minister not remember that at the last session it was pointed out the condition of those vessels was very serious, and if future plans were being made it would be essential that the boats be replaced immediately?

Mr. Marler: I have no such recollection.

STARRED QUESTIONS

CLIFFORD WILLIAMS

Question No. 32—**Mr. Fulton:**

1. What consideration has the remission service given under the Ticket of Leave Act to the case of Clifford Williams?

2. Is it a principle followed in recommending ticket of leave that the convicted person should have served one-half of his sentence? If so, on what basis has this principle been established?

3. Is it considered that Williams is rehabilitated to the point where he could now safely be released on ticket of leave with the prospect of leading a useful and orderly life? If not, what steps are being taken to rehabilitate this young man so that he will not be doomed to spend 28 unproductive years in prison?

Mr. Garson: Mr. Speaker, I propose to deal first with the second question asked by the hon. member for Kamloops, namely whether it is a principle followed in recommending ticket of leave that the convicted person should have served one-half of his sentence and, if so, on what basis this principle has been established.

For many years the remission service of the Department of Justice has followed a rule of general application that requires at least one-half of a sentence of imprisonment to be served before an inmate of a penal institution becomes eligible to be considered for release on ticket of leave, that is, on parole. I am not aware of any parole authority in any country that does not have a rule similar, in principle, to the half-time rule applied by the remission service in Canada.

The proportion of the sentence that must be served varies from country to country, but in every instance the general rule is that some minimum period is required to be served. The rule is applied to the general run of cases in which the sentence of imprisonment imposed by the court is not more than is adequate as punishment for the offence nor more than is required for the reformation and rehabilitation of the convicted person as a result of the treatment that he receives in the institution. Exceptions are, of course, made to the rule in cases such as the Williams case. Those are cases involving very long sentences where after a reasonable period of imprisonment, having regard to the circumstances of the offence, the inmate has shown evidence of reform sufficient to justify the granting of parole to him. I emphasize the fact that in these cases the rule is not applied. Indeed, 6 to 12 per cent of all paroles are granted before the inmates concerned have served half of their sentences.

The half-time rule is well known to the courts, the police, prison officials and inmates. The rule is designed primarily, in the cases where it applies, to ensure some degree of equality of treatment as between inmates. In the cases where it is applicable it does remove uncertainty from the mind of the inmate concerning the time when he may expect to be considered for release on parole and thus helps him to accept the reality of his sentence. If no such rule existed an inmate might during the early part of his sentence continually build false hopes for early release only to have those hopes dashed when he was not released as soon as he expected to be. Such a state of affairs would impede rather than promote his reform and rehabilitation. Moreover, the rule makes possible a minimum period during which the officers in the institution can plan and carry out a proper program of treatment and training for the inmate. Again, it furnishes to the courts and law enforcement authorities generally some assurance that a reasonable proportion of the sentence imposed by the court will be served by the convicted person and that, thereby, the deterrent value of the sentence will be preserved.

In administering the Ticket of Leave Act the remission service of the Department of Justice does not purport either to fulfil or to interfere with any function that should, under our system of law, be performed by the courts. The release of a person on ticket of leave, that is, on parole, is not an interference with the sentence imposed by the court but is, rather, a step designed to assist in the rehabilitation of the offender in society.

The first and third questions relate to a particular case in which the remission service of the Department of Justice is interested. It is the case of Clifford Williams, now an inmate of St. Vincent de Paul penitentiary.

To answer these questions in the sense in which they are framed would necessarily involve a discussion of the merits of the case and disclosure of the contents of confidential reports that have been received in the department concerning it. Hon. members will realize, of course, that confidential reports concerning the background and the development in the penal institution of every inmate are received from a great many sources.

Since the Ticket of Leave Act was first enacted in 1899 it has been the invariable practice of my predecessors to avoid discussion in this house of the merits of individual cases of persons undergoing imprisonment.

Without going in any way into the merits of this particular case, may I say that the latest occasion on which the case of Clifford Williams was placed before the Solicitor General, who has charge of these matters, was October, 1955. At that time, after a careful review of all the reports, he was unable to recommend that Williams be granted parole. This was not the first occasion when my colleague considered the case. A sentence of 28 years upon conviction for the first time is not a usual sentence in Canada and its length itself was sufficient to ensure that the case would not be dealt with on any routine basis and that no arbitrary rules would be applied that would result in the confinement of Williams in the institution for a period that in all the circumstances is not warranted.

I do not propose to express any opinion on the question whether it is considered that Williams is now rehabilitated to the point where he could safely be released on ticket of leave with the prospect of leading a useful and orderly life. To do so would necessarily involve a discussion of the merits of the case and disclosure of the contents of some, at least, of the confidential reports that have been received concerning the case. As to the steps that are being taken to rehabilitate this young man so that he will not be doomed to spend 28 unproductive years in prison, I may say that the officers of the penitentiary have given and will continue to give to him the treatment and training that are appropriate to the circumstances of the case and his willingness to respond. There are in the institution concerned rehabilitative facilities from which every inmate may derive benefit and, in all fairness to this young man, I feel that I should say there is no indication that he is unwilling to avail himself of these facilities.

DIET SURVEYS—CIVIL SERVANTS, OLD AGE PENSIONERS

Question No. 34—**Mr. Knowles:**

1. Is the Department of National Health and Welfare conducting a survey amongst civil servants in Ottawa to ascertain whether or not the said civil servants are eating adequate breakfasts?
2. If so, what are the results of such survey?
3. What steps are being taken with respect to any inadequacies disclosed by such a survey?
4. Will the benefits resulting from this survey be published?
5. Has the department conducted any survey amongst old age pensioners, in any city in Canada, to ascertain whether or not the said old age pensioners are eating (a) adequate breakfasts; (b) adequate meals at any time?
6. If so, what are the results of such survey?
7. What steps are being taken with respect to any inadequacies disclosed by such a survey?
8. If no survey amongst old age pensioners has yet been made, will consideration be given to the conducting of such a survey in several cities at an early date?

Mr. Robertson: This question consists of eight parts. The answer to part 1 is that a

survey of the breakfast habits of approximately 20 per cent of civil servants in Ottawa was conducted from January to May, 1955.

Part 2: Of those employees surveyed it was found that 75 per cent ate a breakfast which conformed to recommended health practices; 16 per cent ate a breakfast definitely below recommended health practices; and 9 per cent ate no breakfast.

In answer to parts 3 and 4, I would say that in each building in which the survey was conducted the results were publicized and the fundamentals of a good breakfast as well as the reasons for eating a good breakfast were explained. The nursing counsellors of the civil service health division of the Department of National Health and Welfare gave particular emphasis to good breakfast habits in all subsequent interviews and are continuing their program of health education.

The answers to parts 5, 6 and 7 are no.

The answer to part 8 is that assistance has been given and will continue to be available to provincial groups of various kinds who are conducting surveys, including some surveys on older Canadians.

NATIONAL CENOTAPH

Question No. 35—**Mr. Jones:**

1. Have any representations been received for a national cenotaph to honour Canada's fallen of all wars?
2. If so, from whom, and what consideration has the government given to this suggestion?

Mr. Lapointe: Mr. Speaker, this question seeks to find out whether representations have been received by the government regarding a national cenotaph to honour Canada's fallen of all wars. I must say that such representations have been received from time to time from various veterans' organizations. More specifically, the dominion executive council of the Canadian Legion, in its annual brief presented to the cabinet on November 10 last, recommended that such a national cenotaph be erected. However, prior to that time, the cabinet had authorized the establishment of an advisory committee to consider and report to me on various matters including the choice of a repository for the world war II book of remembrance. This committee was composed of representatives of government departments concerned as well as the chairman of the federal district commission, representatives of the Canadian Legion and of the national council of veterans' associations in Canada, and the contracting artist for the book of remembrance.

Following the presentation of the Legion's brief, the committee was also asked to make a recommendation regarding the construction of a national cenotaph. The committee submitted its report a short time ago, and it is receiving the attention of the government at the present time. I propose to make a statement on this matter at an early date.

FAY ELIZABETH SPALDING

Question No. 36—**Mr. Fulton:**

1. Was Fay Elizabeth Spalding, a British subject, born in Australia, refused admission to Canada and/or ordered deported in April, 1955?
2. Was she in that same month required by the Department of Citizenship and Immigration to post a cash bond in the sum of $1,000 and to surrender her passport?
3. Was the deportation order subsequently quashed in the supreme court of British Columbia in April, 1955? If so, has the department yet paid the applicant her taxed costs of that action, and if so, when?
4. Did the Department of Citizenship and Immigration then appeal to the court of appeal of British Columbia and receive a judgment dismissing the appeal in July, 1955? If so, has the department yet paid the respondent her taxed costs of that appeal, and if so, when?
5. Has the time for appeal to the Supreme Court of Canada expired, and if so, when?
6. Has the department yet refunded the $1,000 cash or returned the passport, and if so, when?

Mr. Pickersgill: Mr. Speaker, on an earlier occasion, when the hon. member for Oxford (Mr. Nesbitt) asked a question about an individual immigration case, I raised a point of order, and I think perhaps an additional point of order might be raised in this case, in that the question appears to transgress the rule that questions are to elicit information and not to give it to the house. In view of the fact that this question deals with a case which has been before the courts, about which there has been a great deal of interest and about which there are some points of law involved, I think perhaps, with your permission, I might answer it.

Mr. Speaker: Let us perhaps go further into the point of order. I have not had a chance to peruse the question, but it seems to me that if through this medium we are going to ask questions about every case that goes through the Department of Citizenship and Immigration, where there are perhaps over 100,000 cases dealt with, we are going to have to enlarge the order paper. Is this case considered to be of urgent importance, or is it not one that could wait until the estimates of the department are discussed?

Mr. Fulton: No.

Mr. Speaker: Would the hon. member for Kamloops explain?

Mr. Fulton: As you will see on reading the question, this is a very unusual case, and the circumstances surrounding it are unusual in that nearly a year ago the person concerned was required to post—I suggest, quite wrongly—a cash bond in the sum of $1,000. Her case

has been heard in the supreme court of British Columbia and the court of appeal of British Columbia, and a judgment favourable to her rendered in both courts. I believe the time for appeal to the supreme court has expired and I am informed that neither has the cash bail been returned nor have her taxed costs in any of the courts been paid. I understand there are some further developments in this case in recent days about which I hoped to have the opportunity of asking a supplementary question today. This is far from being a routine case. It is one of those cases which I think reveals in its clearest light the improper conduct of the department.

Some hon. Members: Order.

Mr. Speaker: I do not know how many unusual cases of this kind there may be. The hon. member says this is one unusual case. In his view there may be thousands of unusual cases. I am glad that the Minister of Citizenship and Immigration raised the point.

Mr. Fulton: May I be permitted—

Mr. Speaker: I will allow the minister to answer the question, as he was prepared to do, but I am glad he raised the point because I think that in future I will be more careful with respect to such questions.

Mr. Pickersgill: Sir, the answer to the first question is that Fay Elizabeth Spalding is, according to her passport, a British subject born at Melbourne, Australia, on the 14th of November, 1926, and the wife of Alan George Spalding, a resident of Australia. There are three children, aged, at the time she arrived in Vancouver, 4½ years, 3½ years and 11½ months. Mrs. Spalding was accompanied only by the youngest child. At the time she was seeking admission she had only £6 Australian and no return ticket to Australia. She was met by Mr. Lindsay Neil Ingall of Calgary at the Vancouver airport. She stated that her husband was suing her for divorce and that she intended to marry Mr. Ingall as soon as the divorce was granted. She was ordered to be deported on the 14th of April, 1955.

I subsequently received the following cablegram from Melbourne, Australia:

Mr. Pickersgill,
Immigration Minister, Ottawa.

Concerning publicized Vancouver case wife child left Australia without my consent no repeat no prospect immediate divorce Alan Spalding address Inbur, Melbourne.

The answer to the second question is yes. The answer to the third question is yes. Judgment was rendered on May 20, 1955. To the second part of the third question the answer is no. Taxed costs of the action have not been paid to Mrs. Spalding in view of the department's decision to submit a request for leave to appeal to the court of appeal of British Columbia.

The answer to questions 4 and 5 is yes. An appeal was made to the court of appeal and dismissed in July, 1955. Payment of taxed costs would not be made in the ordinary course, I understand, until after the time for leave to appeal to the Supreme Court of Canada had expired. The last day fixed in the order of the supreme court to apply for leave to appeal was January 30, 1956. At that time the case of the Attorney General of Canada *v.* Brent came on for hearing before the supreme court and the Spalding case was left in abeyance with the consent of the Ottawa agent for Mrs. Spalding's attorney. After considering the reasons for judgment in the Brent case, it was decided last week not to proceed further with the appeal in the Spalding case before the Supreme Court of Canada and to settle taxed costs. Action is being taken to that effect.

The answer to question 6 is that in view of the decision not to proceed with the appeal action is also being taken to refund to Mr. Ingall the $1,000 deposited as bond.

Mrs. Spalding's attorney was advised in June, 1955, that Mrs. Spalding's passport would be returned to her for the purpose of leaving Canada, which he, that is, her attorney, claimed she had stated she intended to do. The passport will now be returned to Mrs. Spalding. Consideration is now being given to what action should be taken in this case.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT-OWNED SHIP REGISTRATIONS

Question No. 219—**Mr. Green:**

1. Are all ships which are owned by the government of Canada, including any agency thereof, registered under the provisions of the Canada Shipping Act?
2. If not, which ships are not so registered?
3. By what department or agency are any unregistered ships operated?

POST OFFICE PERSONNEL, MONTREAL—CHRISTMAS SEASON

Question No. 245—**Mr. Hamilton (Notre Dame de Grace):**

1. How many additional employees, on a part-time or full-time basis, were retained in the Montreal area by the post office to handle the additional work load during the 1955 Christmas season?
2. How many of these had their application supported by a letter from a member of parliament?
3. What were the names of these members of parliament and how many successful applications did each member support?

Orders for Returns

FRUIT IMPORTS, B.C.

Question No. 248—**Mr. Jones:**

What quantities and what varieties of fruit have been imported into British Columbia, during the last year?

POST OFFICE STATISTICS, MONTREAL-TORONTO

Question No. 268—**Mr. Hamilton (Notre Dame de Grace):**

1. For each of the cities of Montreal and Toronto, how many postal stations are in operation?
2. For each such postal station (a) what civil service grade was held by the person in charge on December 31, 1955; (b) what was the revenue for the last fiscal year; (c) how many permanent employees were on the staff at December 31, 1955?

ALEXANDER CONSTRUCTION COMPANY, EDMONTON

Question No. 279—**Mr. Thomas:**

1. What is the total number of contracts awarded to Alexander Construction Company of Edmonton since January 1, 1950?
2. What is the amount of each of these contracts and where located?
3. Has the total amount of payment exceeded the original tender in any of these contracts? If so, by how much?
4. Have materials used by this company ever proved substandard? If so, in what instances?
5. From what suppliers does Alexander Construction purchase its materials?

OLD AGE PENSIONS

Question No. 290—**Mr. Knowles:**

1. What was the total amount of money paid to old age pensioners, (a) by the federal government; (b) by the provincial governments, in each of the following years: 1927, 1928, 1929, 1930, 1935, 1940, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951?
2. What was the total amount of money paid to pensioners under the Old Age Assistance Act, (a) by the federal government, (b) by the provinces, in each of the following years: 1952, 1953, 1954, 1955?
3. What was the total amount of money paid to pensioners under the Old Age Security Act, in each of the following years: 1952, 1953, 1954, 1955?
4. What was the total amount collected for old age security from the three 2 per cent taxes imposed for the same, in each of the following years: 1952, 1953, 1954, 1955?

FEDERAL DISTRICT COMMISSION—ACQUISITION OF PROPERTY

Question No. 295—**Mr. Harkness:**

1. Since the 15th day of May, 1952, what lands or buildings have been acquired by the federal district commission in (a) the city of Ottawa; (b) the county of Carleton; (c) the county of Russell; (d) the city of Hull; (e) the county of Hull; (f) the county of Gatineau, giving the date of acquisition, the legal description and total acreage of the property in each case?
2. From whom was such property acquired?
3. What was the total price paid to the vendor or any other persons in respect to the acquisition of each such property?

[Mr. Hamilton (Notre Dame de Grace).]

4. For what purpose, either present or future, was each such property acquired, and to what use is each such property presently being put?
5. At the present time, has the federal district commission any agreements of sale or options for the acquisition of other property, or has it commenced expropriation proceedings for the acquisition of other property in any of the aforesaid cities or counties?
6. If so, what is the legal description and total acreage of each such property?
7. From whom is each such property to be acquired?
8. What is the total price payable to the vendor or any other person under any such agreement of sale or option in respect of the acquisition of each such property?
9. What is the total price which has been offered to the owner of any such property in respect of which expropriation proceedings may have been commenced?
10. For what purpose, either present or future, is each such property to be acquired, and to what use will each such property be put?

DIVORCE STATISTICS

Question No. 243—**Mr. Knowles:**

1. How many divorces, (a) *a mensa et thoro;* (b) *a vinculo matrimonii,* have been granted by parliament, through the enactment of private bills, in each of the following years: 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1885, 1890, 1900, 1910, 1920, 1930, 1940, 1950, 1951, 1952, 1953, 1954, 1955?
2. What is the total number of divorces, (a) *a mensa et thoro;* (b) *a vinculo matrimonii,* granted by parliament, through the enactment of private bills, between July 1, 1867, and December 31, 1930? What is the breakdown of each of these totals as to provincial domicile?
3. What is the total number of divorces, (a) *a mensa et thoro;* (b) *a vinculo matrimonii,* granted by parliament, through the enactment of private bills, between January 1, 1931, and December 31, 1955? What is the breakdown of each of these totals as to provincial domicile?

He said: Mr. Speaker, I believe the information sought by question 243, which is on the order paper in my name, could more appropriately be obtained by addressing a communication to the Clerk of the Senate in his capacity as Clerk of the Parliaments. On that basis perhaps question 243 could be withdrawn from the order paper.

Mr. Speaker: Question withdrawn.

MOTIONS FOR PAPERS

POST OFFICE DEPARTMENT—INSTRUCTIONS REGARDING BURGLARIES

Motion No. 35—**Mr. Hamilton (Notre Dame de Grace):**

For a copy of the instructions issued by the Post Office Department to its postmasters concerning the procedure to be followed when a theft or burglary is discovered.

RENFREW AIRCRAFT ENGINEERING COMPANY

Motion No. 37—**Mr. Fleming:**

For a copy of contracts, draft contracts, and correspondence, exchanged during the last five

years, between the government and Renfrew Aircraft Engineering Company, respecting the purchase and sale of land or buildings or capital equipment or houses at or near Renfrew, Ontario.

NATIONAL GALLERY—PRICES PAID

Motion No. 38—**Mr. Diefenbaker:**

For a copy of all invoices or other records revealing prices paid for each and every painting or picture purchased for $500 or more for the national art gallery, since January 1, 1950.

Mr. Pickersgill: I informed the hon. gentleman privately the other day, Mr. Speaker, that the board of trustees of the national gallery had advised me that if this return were made it would make it much more difficult for them to carry on negotiations for the purchase of pictures to the greatest possible advantage of the national gallery. I can only respect that opinion, but I also recognize that this refers to an expenditure of public money and that not only the house but any hon. member in the house is entitled to this information if he wishes to press for it. While I have no intention of opposing the motion, I wonder if the hon. gentleman would not consider whether it is advisable to press it, in view of the position taken by the board of trustees.

Mr. Diefenbaker: I would allow it to stand at the moment.

Mr. Speaker: Motion stands.

DISABLED PERSONS ACT—MANITOBA

Motion No. 40—**Mr. Zaplitny:**

For a copy of all correspondence, telegrams, memoranda, and other communications exchanged between municipal authorities in the province of Manitoba and the federal government or any department thereof, with respect to the Disabled Persons Act, since January 1, 1955.

EXTERNAL AFFAIRS

CYPRUS—REPRESENTATIONS BY CANADA TO UNITED STATES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs. In view of the vital importance of Cyprus to the strategic defence of the Middle East, to the commonwealth lifeline, to NATO, and of Canada's position as interpreter to the United Kingdom of the United States and vice versa, has the secretary made any representations to the Department of State of the United States regarding intervention by officials of that country in the dispute between Great Britain and Greece?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker, no such representations have been made.

Inquiries of the Ministry

IMMIGRATION

ELIZABETH FAY SPALDING—REPORTED DEPORTATION ORDER

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Citizenship and Immigration a question arising out of the answer he gave to a starred question a few minutes ago? Has the minister just recently issued instructions for the removal of this lady from Canada—where I might say she is now legally married and a resident—under section 7 of the Immigration Act, which would have the effect of circumventing the decision of the court?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The answer, sir, is no. If the hon. gentleman has any information about the alleged marriage of the woman in question I would be glad to have it.

Mr. Fulton: Might I ask the minister if he would direct his inquiry to departmental counsel who, I understand, is in possession of all the information.

PUBLIC SERVICE

PARTICIPATION OF FISHERIES DEPARTMENT EMPLOYEES IN MUNICIPAL ELECTIONS

On the orders of the day:

Mr. A. W. Stuart (Charlotte): May I direct a question to the Minister of Fisheries? Has any order been issued by his department restricting the rights of employees to take part in municipal elections or to be candidates for municipal office?

Hon. James Sinclair (Minister of Fisheries): No order has been issued, and we have no objection to officers taking part in municipal affairs as long as the municipal duties do not conflict with the proper discharge of departmental responsibilities.

HEALTH AND WELFARE

DIET SURVEYS—CIVIL SERVANTS AND OLD AGE PENSIONERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare arising out of the answer given earlier today by his parliamentary assistant with respect to a starred question in my name? He probably expects me to ask whether his department has surveyed his own breakfast habits. Are there available to us any results of the surveys referred to by the parliamentary assistant in his answer to part 8 of my question?

Inquiries of the Ministry

Hon. Paul Martin (Minister of National Health and Welfare): I was trying to understand what my hon. friend had asked in his first question and I had asked my colleague to tell me; consequently, I missed the purport of the second question. Would my hon. friend repeat it?

Mr. Knowles: Perhaps the minister would rather answer the first question. Are there available any results arising out of the surveys referred to by the minister's parliamentary assistant in his answer to part 8 of my starred question?

Mr. Martin: I think that the obvious answer is the Minister of National Health and Welfare himself.

Mr. Knowles: May I ask the minister if he is an old age pensioner and, if so, how he is getting along on $40 a month?

Mr. Martin: I apologize in part, Mr. Speaker. I was referring to all the questions except the last one. If my hon. friend reads them carefully, he will see how apt my earlier reply was. With regard to the question pertaining to old age pensioners I can only say to my hon. friend, what he knows, that this government gives this matter its continuous concern and attention.

Mr. Knowles: But only $40 a month.

(*Translation*):

NATIONAL DEFENCE

INQUIRY AS TO IMPOSITION OF CONSCRIPTION IN PEACETIME

On the orders of the day:

Mr. Paul E. Gagnon (Chicoutimi): Mr. Speaker, I would like to direct a question to the Prime Minister. Is it true that the government does not dare impose peacetime conscription for fear of an unfavourable reaction on the part of the people of the province of Quebec?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker.

(*Text*):

ADMINISTRATION OF JUSTICE

CLIFFORD WILLIAMS—REQUEST FOR INTERVENTION BY DEPARTMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): In connection with the reply given by the Minister of Justice respecting the Clifford Williams case and the rather shocking length of the sentence, would the minister give consideration, the time for appeal having elapsed, to having an order in council passed to have that case placed before the court to determine whether or not that sentence is far beyond what is fair?

[Mr. Knowles.]

Mr. Sinclair: Are you not against government by order in council?

Mr. Diefenbaker: Twenty-eight years.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, so far as I am aware, we have taken the position at all times in the Department of Justice that the responsibility for the imposition of sentences in criminal cases is that of the courts, and that it is an improper exercise of executive authority to interfere with what is essentially a judicial function.

I understand that in the present case, through the influence of a lady who is taking an interest in this young man, legal advice has been made available to him. I think my hon. friend will agree with me that it would be quite possible for the legal advisers of Mr. Williams to apply for leave to appeal now notwithstanding the fact that the appeal period had passed, based upon the fact that Williams had no legal adviser at the time that the appeal period expired. In the absence of Williams' legal adviser doing that, the only way we would have any authority to take the steps that my hon. friend refers to would be upon an application for remission. Even in that case, I think we would hesitate very much to interfere with the exercise of the function of the courts.

Mr. Diefenbaker: Why not follow the same course you did in the Coffin case?

Mr. Fulton: May I ask the Minister of Justice whether it would not be open to him to take the same action with respect to the Clifford Williams case as he did with respect to the Coffin case, by way of reference to the Supreme Court of Canada? If so, why does he not take that action, the time for appeal having gone by?

Mr. Garson: In reply to my hon. friend's question I would suggest if he examines the two cases he would find that the two sets of circumstances are quite different, and that we were not at all warranted in applying to the Williams case the reasoning that was applied in making the reference to the Supreme Court of Canada in connection with the Coffin case.

Mr. Diefenbaker: Not at all.

Mr. Fulton: Is it not the only way in which this matter can now be submitted to any court?

Mr. Garson: No, it is not the only way. The first way would be for counsel for the accused—

Mr. Fulton: He has not one.

Mr. Garson: Yes; my information is that he has, and that he could apply to the court

of appeal for leave to appeal notwithstanding that the appeal period had expired. Then, if that were refused, the only way in which it could get before the provincial court of appeal would be if, in connection with an application for remission to myself, as Minister of Justice, I should invoke the relevant section of the Criminal Code to refer it to the provincial court of appeal as to sentence. But I apprehend that that is not the proper course for the Minister of Justice to take until there has been an application on behalf of the accused.

Mr. Diefenbaker: Mr. Speaker, in this case, if a waiver of appeal was signed, is it not a fact that no application is then open to the accused? Is that not the position in this case?

Mr. Garson: Mr. Speaker, if it is the position, I am not so informed.

FLOODS

SASKATCHEWAN—ACTION TAKEN IN KAMSACK AREA

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can he give a reply to my question of February 28 last regarding flood control on the Assiniboine river in the Kamsack area in Saskatchewan?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I have not the information yet. I have to get it from Regina.

CANADIAN BROADCASTING CORPORATION

PROPRIETY OF "TABLOID" TELEVISION PROGRAM OF FEBRUARY 6

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, earlier today I raised a question of privilege which you suggested might also be raised on the orders of the day. May I now ask the Minister of National Revenue whether he is prepared to answer the question which appears on page 2115 of *Hansard* in relation to the CBL-T.V. "Tabloid" program of February 6, a film of a marriage which was solemnized on February 4? Does the government consider such programs in good taste on television?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, personally I did not see the telecast, and as one member of the government I am not prepared to make any answer with reference to whether it was in good taste or not. I am afraid the hon. gentleman does not quite understand my position with reference to the C.B.C. He complains that I had made the answer:

The Canadian Broadcasting Corporation advises as follows:—

Now, I am not in charge of the Canadian Broadcasting Corporation. I have never interfered in its operation or in its policies. The Department of National Revenue has nothing to do with the Canadian Broadcasting Corporation. The order in council, by which I was appointed, appointed me as the one who would report to parliament for the C.B.C. That I have attempted to do. I purposely have seen that the answers are put as they are, that the C.B.C. replies to the questions that are asked, and they take the full responsibility.

Now, it is not my particular job to poll the members of the government to see whether or not they are in favour of any particular broadcast. If he wants to do that, the hon. member can ask questions of the members of the government and they will give their own opinions. I doubt very much whether any of them have enough interest in those broadcasts to say—

Mr. Fleming: May I ask the Prime Minister whether he approves of this type of television broadcast of an actual marriage solemnized, a film being made of it and broadcast on television, at some expense, which he will find set forth on page 2115 of *Hansard,* including performers' fees?

Right Hon. L. S. St. Laurent (Prime Minister): The hon. gentleman has obtained the facts now. The Canadian Broadcasting Corporation is responsible to parliament. It is a body that has been set up by legislation of parliament, with powers that are provided in that legislation.

I have seen several things on the C.B.C. that I did not think were in good taste. I did not see the telecast to which this question refers, but I have never attempted to exercise any censorship over the activities of the C.B.C. I do not think my personal opinion about the manner in which they select their programs is a matter about which there should be any debate in parliament.

Mr. Fleming: Mr. Speaker, is the way in which the Canadian Broadcasting Corporation carries on its affairs and programs not a matter for discussion in this house, and a proper matter for questions in the house when this house is being called upon to vote

substantial sums of money for the upkeep of the C.B.C. and its programs?

Mr. St. Laurent (Quebec East): It is a matter that is one of public interest, and because it is a matter of public interest we appointed a royal commission to inquire into the whole matter of both television and sound broadcasting. That commission is now sitting and it is—

Mr. Fleming: Not yet.

Mr. St. Laurent (Quebec East): Yes, it is.

Mr. Fleming: Not yet; it has been appointed but it is not sitting.

Mr. St. Laurent (Quebec East): Perhaps it is not hearing witnesses at this time, but it is proceeding. It has given notice of the time during which it will be prepared to receive briefs prior to setting the dates for the public hearings. It is because it is a matter of great public interest, and because it is a matter that involves the expenditure of large sums of money, that the royal commission was appointed to inquire into it and to make a report.

Mr. Fleming: May I ask the Minister of Finance this question? In view of the fact that the estimates of the Department of National Revenue have been referred to the committee on estimates, will the government give consideration to referring also to the committee on estimates items 54, 55 and 56 of the estimates relating to the Canadian Broadcasting Corporation?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the government has been in the habit of having a special committee on the C.B.C. every second or third year, usually at the request of the opposition, and I do not see any particular point in acceding to this request.

Mr. Fleming: In the light of the answer given to me by the Minister of Finance, may I ask the Prime Minister whether the government is prepared to have set up at this present session a special committee on radio broadcasting and television, similar to that which was set up at last year's session?

Mr. St. Laurent (Quebec East): No, Mr. Speaker. That question was considered and we came to the conclusion that, having appointed a royal commission, it would not be proper to recommend the appointment of a special committee to proceed to make the same inquiry at the same time.

[Mr. Fleming.]

ATOMIC ENERGY

SPECIAL COMMITTEE TO EXAMINE INTO ROLE OF GOVERNMENT IN NON-MILITARY RESEARCH

The house resumed, from Thursday, March 1, consideration of the motion of Mr. Howe (Port Arthur):

That a special committee be appointed to examine into the role of government in the field of non-military research in Canada, including:

(a) operations in the field of atomic energy,

(b) operations of the national research council.

That the committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to day as may be ordered by the committee and to report from time to time; and that notwithstanding standing order No. 67 the committee shall consist of 20 members—

—and the amendment thereto of Mr. Green.

Mr. George H. Hees (Broadview): Mr. Speaker, the hon. member for Lambton West (Mr. Murphy) for several years has been urging the government to set up a committee of parliament to investigate the results which might reasonably be expected to accrue from a greatly expanded program of research in this country. He and other hon. members in this party have strongly urged the government to empower this committee to call outside witnesses with particular knowledge and experience in these matters so that the committee might gain the kind of information which would be necessary for putting forward to the government useful recommendations for future action. The committee which the government is proposing today does not permit the calling of such outside witnesses. It will permit only the calling of government employees before it, and as the large government majority on the committee can be counted upon to endorse whatever the government has or has not done in matters of research, this committee will amount to nothing more or less than a whitewash committee.

Because of the limitations which have been placed upon it, this committee is denied the means of obtaining the information necessary to reach constructive and useful conclusions, and that is the reason for the amendment which is presently before the house.

One of the reasons why a research committee with power to call outside witnesses with particular knowledge and experience in these matters is so urgently needed is that this country is today steadily dropping behind its industrial competitors in manufacturing progress. This fact was most recently driven home by the latest monthly bulletin of statistics produced by the United Nations in January last and shown on page 12 of that report. These figures, Mr. Speaker, show the percentage increase in manufacturing production which has been made by the leading industrial nations of the world during the six-year

period from 1948 to 1954, the latest year for which comparative figures are available. These percentage increases are as follows: Japan, 230 per cent; West Germany, 205 per cent; France, 38 per cent; India, 36 per cent; United Kingdom, 33 per cent; Belgium, 25 per cent; United States, 22 per cent; Canada, 17 per cent. The average percentage increase for the whole world, excluding the U.S.S.R. and communist Europe, was 39 per cent. Thus we see, Mr. Speaker, that the percentage increase which Canada made in manufacturing progress during the six years for which comparative figures are available is considerably less than that made by each of its industrial competitors.

Now, why should that be the case? We have a perfect right to ask why that should be so; why a country such as Canada with all its natural attributes, raw material, power and the other facilities which it has at its disposal should trail so markedly behind all its industrial competitors. The reason is that in order to make manufacturing progress you have to make sales, and today our products are losing out to products manufactured in other countries because of price or design or both.

One of the steps which we can take to improve our competitive position and to accelerate our industrial expansion is to follow the example of our more successful competitors. They have made full use of greatly expanded research to develop new and better products, new and better designs and more efficient methods of production.

In order to encourage industrial firms to undertake a great deal more industrial research than they are doing at the present time, I think Canada would do well to follow the example of Great Britain, whose percentage increase in manufacturing during the past six years has been double that of Canada. The deductions for tax purposes which are allowed by the British government are as follows, and I will quote from the information given me a few days ago by the United Kingdom information office:

The United Kingdom—Deductions allowed.

1. Current expenditures.

(a) All current expenditures on scientific research related to that trade and directly undertaken by the taxpayer or on his behalf.

(b) Sums paid to any scientific research association, approved for the purpose of research by the committee of the Privy Council for scientific and industrial research.

(c) Sums paid to university, college, research institute or other similar institution approved by the research council.

2. Capital expenditures.

(a) Expenditures of a capital nature incurred on scientific research related to that trade and directly undertaken by the taxpayer or on his behalf.

(b) Expenditures of a capital nature on research undertaken by the taxpayer or on his behalf and thereafter sets up and commences a trade connected with that research.

The report goes on to say:

In the United Kingdom there is a committee of the privy council for scientific and industrial research, a medical research council established under the committee of the privy council for medical research, and an agricultural research council under the committee of the privy council for agricultural research.

In any question of dispute as to what claims for allowances constitute research, the commissioners of inland revenue shall refer the question to the appropriate research council listed above for decision, and the decision of the council shall be final.

Thus we see that in Great Britain all expenditures for research, whether they be current or capital expenditures, are allowed as deductions for tax purposes. In this way, all industrial firms have every possible incentive to improve their competitive position by undertaking greatly expanded industrial research. The results have been clearly demonstrated by the manufacturing progress they have made, and by the industrial expansion which has taken place in that country.

In Canada the government has taken a far less generous attitude toward allowing deductions for tax purposes. I will quote the regulations in force in this country today, which are as follows:

Not more than 5 per cent of the taxable income of the taxpayer for the year preceding the taxation year may be deducted unless the research program in respect of which the expenditures were made has received the approval of the Minister of National Revenue, after he has, if he considers it necessary, obtained the advice of the national research council, that is, the honorary advisory council for scientific and industrial research as constituted by the Research Council Act.

Thus we see that a Canadian firm which wants to start an industrial research program which may cost in excess of 5 per cent of its taxable income for the previous year, may have to wait until half the current year is over before it knows the decision of the minister, and then, of course, that decision may be an unfavourable one. Decisions to undertake research programs must be made well in advance of the beginning of a year. A firm simply cannot wait until the previous year's figures have been audited and then subjected to the red tape of the Department of National Revenue for a decision.

Another factor which militates against a firm undertaking an industrial research program in this country under the present tax arrangements is the fact that industrial research is most needed after a bad year, and in a bad year the amount available for tax deductions will be lower. Thus we see that program affecting research in this country is a completely unrealistic one. Instead of encouraging firms that are doing badly to do better by undertaking industrial research, this government, by its taxation program,

makes it as difficult as possible, if not completely impossible, for a firm to undertake such a research program.

I believe that this government should encourage firms to undertake greatly expanded research programs, as firms in every other industrial nation in the world have been encouraged to do, by concrete means such as tax inducements of the kind I have just cited as being in effect in Great Britain. I believe that this country should introduce some kind of realistic tax allowance program such as they have in Great Britain and which has in no small degree enabled that country to make double the industrial expansion and progress which this country has made during the past six years.

If it will do so it will be taking a very important step forward in accelerating industrial progress and expansion in this country; the kind of industrial progress and expansion which this country should expect when we think of the almost unbelievable raw materials, sources of power, and every other advantage which the country has. That is the way to stop this country being largely a hewer of wood and a drawer of water, and enable it to become one of the really great industrial nations of the world.

In conclusion I would again urge strongly that this government should permit the powers of the committee which is being set up under this motion, to be extended so that outside witnesses with particular knowledge and experience in these matters may be called before the committee, to give the information which will be needed if the committee is to make worth-while and useful recommendations to the government for future and much needed action in this important field.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, we in this group are prepared and pleased to support the resolution now before us that a special committee be appointed to examine into the role of government in the field of non-military research in Canada, including operations in the field of atomic energy and operations of the national research council. There is no doubt that, in addition to the role of government in the field of atomic research, corporations have a useful role to play. I listened most carefully to the suggestions made by the hon. member for Broadview (Mr. Hees), but it seems to me that almost all of his remarks were directed, not particularly to the role of government in the field of atomic energy research but rather to how the government by various policies could assist corporations in carrying on their own research.

Of course that is one aspect that is important and which should be considered, but I believe the government should be careful in granting further concessions of the nature suggested without at the same time giving consideration to what the final results on the economy will be of promoting that type of research rather than the type of research being carried on by the national research council. It is all very well to say that the government by taxation credits or taxation policies should promote private research, but at the same time it should be remembered that by doing so those corporations which develop new inventions may be able, because of our patent policies, to create for themselves a monopoly from which they will get large profits and returns over the years to come. While the encouragement of such research may be advisable, I think other safeguards should be thoroughly considered.

I am sure that the members of this committee will approach this problem with open minds. The members of the various parties in this house view the general role of government in business or the role of government in research in ways that are well known. The Liberal party, the Conservative party and the Social Credit party say that they would like to see the role of government kept to the very minimum. Their emphasis has always been that the government should get out of the business field and, I take it also, out of the research field if they are going to be completely consistent, in so far as it may be possible.

On the other hand, we believe that the government has a useful role to play in this field. We should bear in mind that the original development of atomic energy which resulted in the explosion of the first atomic bomb was brought about mainly, not through the efforts of private corporations or individuals but because governments accepted the important role of leadership in this field and were able to acquire the services of scientists who were experts in this field. By placing national resources at their disposal they were able to develop the first atomic bomb. I believe that the future will show that the government has an important role to play in the field of peacetime research and that we should not hand this field over to private corporations. Rather the government and the members of this committee should consider the advisability of extended government activity in this regard.

Personally I can see no reason why this committee should be confined to considering the role of government in the field of non-military research in Canada. Of course, I would not want anything to be produced before that committee which could be termed classified material, but it seems to me that in

large measure atomic information with regard to military equipment is public and such information might well be made available to the members of the committee. If the members of this committee are going to assess the role of government in this whole field they should be given every facility to inquire into all aspects of atomic energy research of a non-classified nature.

I have shown my own attitude in that regard when I have questioned the government at various times as to whether they had asked that Canadian observers be given the right to see atomic bomb explosions and hydrogen bomb explosions being conducted by the United States and by the United Kingdom. I can see no reason why the government should not at least give consideration to the advisability of having the public representatives, members of parliament, view some of these tests. If my information is correct, members of congress have had such facilities made available to them in the past. I think it would be valuable information for the members of this committee if those same facilities were extended to them, if that were possible.

I should hope that the government would be prepared to provide all possible information to this committee, that its hands would not be tied, that the government would not try to keep as much information away from the committee as possible but rather would take the attitude that it would facilitate the work of the committee. I hope it would not attempt to give the committee a primer in atomic energy or an elementary class in the development of atomic energy, but rather would lay before the committee the fundamentals of this field so that members of parliament can come to a reasonable conclusion as to the role the government should play in this regard.

The hon. member for Nanaimo (Mr. Cameron), in his address on this subject on March 1, referred to the great dangers involved for the world in a continuing build-up of background irradiation, as he termed it. He quoted a number of prominent scientists to prove that there was a danger, in their opinion, that a continuing build-up of background atomic irradiation could result in very serious consequences to the human race. In that same regard, I have in my hand a quotation from a book, "The Story of F A O", written by the North American regional representative, Mr. Gove Hambidge. He has this to say on page 98:

> According to a recent report by geneticist A. H. Sturtevant of the California Institute of Technology, "the entire human race, present and future", is risking damage by irradiation from atomic or thermonuclear bombs exploded in current experiments. "There is no possible escape from the conclusion that the bombs already exploded will ultimately result, in future generations, in the production of numerous defective individuals. And every new bomb exploded . . . will result in an increase in this ultimate harvest of defective individuals".

That is a quotation from a prominent scientist. The hon. member for Nanaimo a few days ago quoted other prominent scientists along the same lines. I would suggest that if it is, as these scientists say, a real danger, this committee and the government should consider whether or not the time has now arrived when further hydrogen bomb explosions should be stopped. I myself believe that, with this possible danger to the world as these scientists express it, this committee should inquire into the genetic effects of the build-up of background irradiation to see whether or not the very genetic makeup of the human race is, in fact, imperilled.

Of course, atomic irradiation, if applied in a non-military field, can be very useful. Atomic irradiation is now being used by the national research council. It is being used in important experiments being conducted by the University of Manitoba in the spreading and development of various plants, including potatoes, tomatoes, carnations, apples, lythrums and so on. I might say that using atomic irradiation on various plants increases the number of mutations that take place as compared with the number that would take place without irradiation. Mutation is a genetic change that is handed down from one generation to another. So, if a large number of mutations in plants can be brought about, then the scientists can select those plants that show the best characteristics and, by a rigid process of selection, can in a short time improve the plants with which they are dealing.

I should like to emphasize that most mutations caused by irradiation are detrimental and that only a few beneficial ones occur. When such mutations are applied to human beings, of course, there is no method of selection that we would want to consider. So, if human beings are exposed to irradiation, and changes in the genetic makeup should take place, then, since most of them being detrimental, there would be a general adverse effect on the human race. However, using atomic irradiation for the development of better varieties of grain and other plants can assist mankind very substantially. The report I have in my hand shows that the use of atomic irradiation with selection has resulted in eight new varieties of Montcalm barley being produced in a short time. Montcalm is a malting barley and is in great demand at the present time, but one of its drawbacks in the field is the fact that it has a weak straw. Irradiation applied to Montcalm barley has

resulted, with rigid selection, in the development of a number of strong-strawed varieties, which should result in increased yield.

That is the way we should like to see atomic energy used, in the main, for the improvement of human welfare by applying it to peacetime uses. The government has had much good work done through the national research council. Last fall I had the privilege of going through the national research council laboratories on the campus of the University of Saskatchewan and I saw some of the very interesting and promising work that is being done in the way of developing boards from straw and in the way of separating protein from grain, the glucose separation process, as it is called, and a great deal of other important work.

I think it would be highly useful and highly desirable if the members of this committee could be given the opportunity to see the work of the national research council at Saskatoon and perhaps also at Halifax. I know from talking to some of the scientists, Dr. G. A. Ledingham and Dr. Burton Craig in particular, that they are most anxious that their facilities and the work of the national research council should be placed before the committee. They felt and I felt also that they were doing valuable work and that the setting up of this committee would result in some public attention being given to that valuable work. I hope the government will consider the advisability of stepping up the grants for the purpose of making atomic energy available to underdeveloped countries. More and more frequently we read reports and statements by prominent people in the western world that we are now beginning to lose the economic battle with the communist world and that unless steps are taken, and taken soon, to make available to underdeveloped nations atomic energy and more of the resources of this continent that are in surplus supply, the U.S.S.R. may fill that need with very drastic results to the free world.

I have in my hand a statement made by Senator William Benton of Connecticut as reported by Marquis Childs in the Washington *Post* of February 28, 1956. Quoting Senator Benton, the report has this to say in part:

> . . . Soviet education . . . system is producing a surplus of engineers and technicians who will be assigned to carry out technical assistance in every uncommitted country of the world.

It goes on to say:

> The Soviets are now challenging us frontally at what have historically been two of our strongest points, technology and mass education. The present rate of Russian educational advance is faster than our own, just as their growth rate in industrial production surpasses ours. The gap in total performance is closing. It is closing rapidly.

[Mr. Argue.]

If that is the case, Canada should lose no time in stepping up the appropriation to be used for making atomic energy available for peaceful uses in underdeveloped nations. I am very glad that $8 million is now being used to provide for part of the cost of an atomic plant for India. I think that is a good thing and I should like to see the government do more along that line. This same article goes on to say:

> In two speeches late last year, Admiral Lewis L. Strauss, chairman of the atomic energy commission, sounded an equally grave alarm. He said it was evident the United States was rapidly falling behind Soviet Russia in the training of scientists and technicians with the "certainty that we are turning out less than one-half the number of scientists and engineers we require—an alarming statistic by itself".

If the government is to play a full role in the field of non-military research, then I suggest that very large grants should be made available to assist students to go through our universities so that our supply of scientists and technicians may be ample to meet our own needs and to assist us in playing our full part in making atomic energy available to underdeveloped nations. We are pleased, as I have said, that the national research council is doing a good job. We believe that in many respects the government, through the national research council, should be undertaking more research and placing greater emphasis on this field. I suggest that when the national research council sets its energies to the production of some invention that may be of real benefit to the nation and that invention is achieved, not only is such an invention likely to be of much greater use to Canadians generally than if it is controlled by a private corporation but also the cost of producing such an invention is likely to be very much less than if it is produced in the competitive field.

A few weeks ago I had brought to my attention very forcibly an invention of two scientists of the national research council, Dr. A. Frederick Sirianni and Dr. Ira E. Puddington. The thing that they developed is not a large or heavy gadget. It is something that looks rather insignificant but I suggest that in the future it is likely to be of tremendous value to this nation and other nations in the world. It is a little thing they call a sodium plug. The sodium plug can be placed in the crankcase of an automobile or any ordinary piston engine. After this very cheap and economical plug has been placed in the crankcase of the motor the oil does not have to be changed nearly as frequently as would otherwise be the case.

As a matter of fact, two such plugs were placed in automobiles in September, 1953, and since that time they have been driven

17,000 and 20,000 miles respectively without changing the oil. Was this invention something that cost the country a great deal? I do not think so because these two scientists on the staff of the national research council are not paid large sums of money by way of salary, as we consider large sums of money in these days. According to the public accounts, Dr. Puddington is paid a salary of $11,000 and Dr. Sirianni a salary of $6,600.

Ordinarily one has to change the oil in an automobile every thousand miles or so. If the plug does what these scientists expect it will do, make it possible for the automobile owner to change the oil only once every 20,000 miles, it means that the oil in an average automobile will only have to be changed once a year.

Mr. Byrne: I never change mine.

Mr. Argue: The plug keeps down the development of an acid which results in damage to the automobile. We have about 4 million automobiles in Canada at the present time and also large numbers of tractors and stationary engines. If a person has to change the oil in his automobile only once a year instead of every thousand miles he will probably save $25 to $50 a year. Here is the plug. It sells for a small price. I was able to purchase one for $3.

Mr. Byrne: You are not selling them?

Mr. Argue: I am not selling them.

Mr. Byrne: You should go in the business.

Mr. Argue: No, I have enough trouble in the business of farming without trying to branch out. The plug developed by the national research council is being produced under licence by a private corporation, and in my opinion if it performs as it would appear to perform it will probably save the nation $100 million a year in oil consumption, certainly tens of millions of dollars a year.

I have referred to this, Mr. Speaker, to demonstrate that there is a place for the national research council, that our investment in the national research council has been sound and that should be increased. If the national research council had done nothing else but produce this plug all the money spent for that organization in recent years would probably have been fully justified in an economic sense. If this had been developed by a private corporation, I am very much afraid that the big oil companies in this country would have made certain that such a plug never reached commercial production and would never be placed in the hands of the automobile owners in this country.

I am sure that the deliberations of this committee will be useful indeed, and I want to express the hope that their recommendations will be to increase the role of government both in atomic research and with regard to the national research council.

Mr. Murphy (Lambton West): I wonder if I could ask the hon. member who has just taken his seat a question, Mr. Speaker? Would he tell the house whether he has used that particular plug or does he know anyone who has used it successfully?

Mr. Argue: To answer directly, I have not used the plug myself. However, I intend to do so.

Mr. McCann: On a question of privilege, Mr. Speaker, according to the rule should not the hon. member table this exhibit?

Mr. Speaker: At the moment I rose I was going to point out that the displaying of an exhibit is not in order. This one that the hon. member held in his hand while he was making his remarks is a very small one, but there have been larger exhibits shown in this house. On September 18, 1945—see *Hansard*, volume I, second session of 1945, page 289—Mr. Speaker Fauteux made a statement to the house that the displaying of exhibits was not to be allowed. I have had no opportunity to apply the ruling or to make a similar statement, except perhaps once in the case of an item submitted by the hon. member for York West (Mr. Hamilton) which was a thermos jug, if I recall correctly. I did not make any remarks then, and that case having gone without my saying anything, we are now faced with this one. I think the position should be protected by the remarks I am making now. In the future, we do not wish hon. members to come into the house with small or large exhibits.

Mr. McCann: I submit that the hon. member having used the exhibit to corroborate his statement, it ought to be tabled and become the property of the house.

Mr. Speaker: I do not think we ought to apply to exhibits, which are not supposed to be shown, the same rule which is applied to documents quoted in a debate. As the minister knows, there is a distinction. Official documents must be tabled, and they can be tabled when the Speaker is in the chair during routine proceedings. But when it comes to private documents—

Mr. Knowles: Now Your Honour has it.

Mr. Speaker: It may be worth while to look at it if it does bring the economies the hon. member has predicted. To come back to the point that has been submitted by the Minister of National Revenue, I would say that if his point had to be agreed to this instrument

would go to the Clerk and remain in his possession. He would be the one who would benefit from the exhibit. It turns out that the purchase made by the hon. member for Assiniboia is greatly appreciated, and I now give this exhibit to the Clerk.

Mr. Knowles: I move he try it out in his car.

Mr. W. B. Nesbitt (Oxford): When this committee on research is set up, I think one of the very important problems it will have to consider is the implication of Russia's new industrial offensive. I think all members are quite familiar with the fact that, apparently because of nuclear stalemate, Russia is, to all intents and purposes, embarking on a new development program to further her ultimate aim of world domination. This has come to the attention of editorial writers and prominent people throughout the world. I should like, very briefly, to refer to an article in a prominent periodical known as *Newsweek*. It is the issue of February 6, 1956. There is a special business section in this magazine which relates to this problem. The article is entitled "Industrial War, Can Russia Win?" It reads:

> The clash of giants resounds around the world. Moscow has declared industrial war.
>
> At a time when the U.S. prospers as no nation has before, the soviet union is launching a massive economic offensive. The objective: To destroy capitalism by outproducing its U.S. base, capturing its markets and potential friends in under-developed lands.

Then it goes on:

> Close to one billion people in Asia, the Middle East and Africa are likely to throw their weight to the stronger side. On their decision largely depends the outcome of the cold war.

In that same article there are numerous other references showing how Russia has the ability to carry out this offensive to its ultimate conclusion. I think all hon. members realize the vast resources of raw materials available to the Soviet union, the vast resources of people, and also, a most important thing with which I am going to deal at some little length, the fact that the Soviet union has embarked on a program to produce scientists and engineers such as no other country has ever attempted before.

I should like to make a brief reference to this economic offensive and in doing so to quote briefly from this article in *Newsweek* to which I have referred. It points out, and I will not quote it but merely paraphrase it, that since the second world war, 600 million Asians and Arabs have won political independence from old world colonialism. Now, these same people who have secured their political independence are looking forward to the day of economic independence. These people in the east and in Africa are sick of never having enough to eat; they are sick of never having enough of what we consider to be the simple essentials of life and what to them are the luxuries. I do not think it is just a question of whether or not these people in the east and in Africa are going to get these things; it is more a question of how they are going to get them. Russia is making an allout attempt to outbid us.

At the present time, in roughly 38 short years from the revolution, Russia has transformed a defeated, semi-feudal society into the world's second mightiest power. Since 1913, shortly before the revolution, Russia's gross national product has increased by more than 10 times. I believe it now amounts to almost that of Germany and Britain put together. This is something we are going to have to face. In order to increase this great potential that Russia has, and in order to make proper use of their resources in both materials and people, she has to have more scientists and engineers. In a broadcast towards the end of last January, Matthew Halton reporting on the well-known radio program on Sunday afternoons, "Capital Report", presented some very disquieting figures. He pointed out that this year the Soviet union will graduate 60,000 engineering students, whereas the United States will graduate 22,000 and Great Britain 3,000. There was no figure available for Canada, but after making some inquiries I understand there would probably be only a few hundred.

Now, the Soviet union undoubtedly is attempting to become the master of the world through science and technology. What is more, apparently last fall a group of very prominent British scientists visited the Soviet union and had an opportunity of talking to their graduates in engineering and examining their education system. According to Mr. Halton, it was their opinion that when you compared these groups in Russia, Britain and the United States, the Russian scientists and engineers were superior to those in the United States and Great Britain. Apparently Sir Winston Churchill referred to this situation as an emergency, and something had to be done about it. It is bad enough to have superiority in the number of engineers and scientists, but much worse when that superiority is in quality as well. Apparently, 1,200,000 students of science generally, including engineers, will graduate in Russia this year, and approximately 900,000 in the United States. These figures are very disturbing, Mr. Speaker. They should be disturbing to all hon. members. It is something that I hope this committee will look into.

The resolution to set up this committee refers particularly to non-military research.

In the modern world of science and technology military and non-military research cannot be basically dissociated. It is also apparent that Russia leads in military research in some fields as well as in non-military. I am going to refer hon. members to an article which appeared in the New York *Times* of January 29 of this year, by Hanson W. Baldwin. I am not going to read it. If hon. members are interested they may look it up. Mr. Baldwin is a well-known and well respected commentator. He points out that in the field of intercontinental missiles Russia is apparently ahead of the United States and Great Britain.

This business of Russia continuing to develop scientists had a parallel in the past. Hon. members know that before 1914 the government of imperial Germany set up a very extensive plan to make Germany the leading country in the world in science and technology. This was done by the government subsidizing the universities and in other ways. This worked very well, as hon. members know. The calibre of German scientists became a byword. Russia is doing the same thing today, but on a much larger scale. In addition, they have at their disposal not only their own scientific brains but the scientific brains of the Germans taken from East Germany at the end of world war II. They also have the advantage of the scientific brains of a few traitors of the western countries who have gone over to the Soviet.

It is quite apparent that Canada's great resources cannot be developed to the fullest extent without adequate scientists and engineers, and apparently there is a considerable shortage at the present time. I refer briefly to comments by a very noted Canadian which appeared in the Montreal *Gazette*, of Wednesday, March 7 last. They are the comments of Dr. O. M. Solandt, former chairman of the national research council. I quote briefly from the article:

> Scientist Shortage Critical Problem
> The shortage of scientists and engineers will be the dominant factor and a critical problem in Canadian scientific and economic development.

In addition to that, Mr. Speaker, Dr. Sidney Smith, president of the University of Toronto, a person whose opinion cannot be brushed lightly aside, has this to say, according to the Montreal *Gazette* of Wednesday, March 7, 1956:

> Industry was warned by a university president today that by continuing to draw off top-notch university professors through high salaries, it may kill the goose that laid the golden eggs.
> Dr. Sidney Smith, head of the University of Toronto, said his institution—and others, too—are facing a serious problem in getting sufficient high-calibre instructors to train the increasing number of students required in Canada's economic expansion.

In this same regard there was an article by Henry Eyring, of the University of Utah in the United States, regarding federal support of basic research at a state university. I do not wish to take up the time of the house to read the article. I just wish to point out that Professor Eyring said that universities in the United States are up against the same problem. They have insufficient funds to pay professors, and the professors are going into more lucrative jobs, and there is no one to train the students. Let me quote briefly from this article:

> Since the top 10 to 15 per cent of the faculty make the difference between distinction and mediocrity much of a university's quality depends on how long it has been since it last went through the wringer.

There is a great deal more in this article, but I shall not take up the time of the house to read it.

On Thursday, March 8 last, the engineering institute of Canada, a well-known and highly respected organization in this country, and again an organization whose opinions cannot be casually brushed aside, appeared before the Gordon commission and pointed out the serious shortage of engineers in Canada. They also pointed out, as I have done this afternoon, that Russia was training vast numbers. I think that is also very important.

To win the industrial war with the Soviet union we have to develop fully our resources, and we cannot do that without technicians. The Russian economic offensive depends on efforts to build up the economies of the underdeveloped countries of Asia and Africa. They intend to do that by means of technical assistance. This means sending scientists and engineers to those countries, plus outright gifts and loans of material.

I should like to refer briefly to an article which appeared in a newspaper of the capital of Indonesia. As hon. members know, the capital of Indonesia is Djakarta. The name of the newspaper is *Pedoman*. The quotation reads:

> Heavy industry is a magic word to underdeveloped nations. Compared with what Russia has planned to undertake, all FAO and Colombo plan aid fades into insignificance.

That is the opinion of the press of Indonesia. Indonesia is a country which has not decided for either the east or the west. It is in the balance. Apparently the action that Russia is taking is just the thing that is going to make those countries, with vast millions, fall into the Russian orbit. Canada and other western countries—I am referring, of course, only to Canada—must find ways of encouraging and training scientists and

engineers, first of all to develop our own great resources, and second, to counteract the Russian economic offensive in the rest of the world.

The British government is aware of this situation. I refer to a news item that appeared in the London *Free Press* of March 1, 1956, as follows:

> Prime Minister Eden said today Britain must produce more technicians and technologists to keep her place in the world.
>
> Eden outlined the government's 5-year, £100 million plan to build up scientific and technical manpower for the challenges of that nuclear age.

Based on that news item, an editorial appeared in the London *Free Press* of March 5, 1956, along the same line. It dealt with the same problem. I will not take up the time of the house to read it. If hon. members are interested they can read it themselves. This is something that this committee must look into. It is an urgent and important problem, because our own lives and those of our families and the future of this country may depend on it. The committee is inadequate to cope with the problems that it has been set up to deal with. What positive, accurate and reliable recommendations can this committee make unless it has the power to call for prominent witnesses in the scientific and educational world to express opinions? This is a highly technical subject. While there are many amateur scientists in this house, nevertheless in dealing with problems of this importance, if this committee merely ends up with a group of hon. members sitting around discussing what should be done on the basis of hearsay, very little will be accomplished. If that is the basis of the committee's work, its recommendations will read something like a pulp magazine, like amazing stories.

Apparently, this committee has been set up to study research in general. I refer to the remarks made by the senior hon. member for Halifax (Mr. Dickey), as reported on page 1697 of *Hansard*:

> In making this study the committee is expected to review the operations of Atomic Energy of Canada Limited and of the national research council and to consider also research in its general aspects.

How this committee can consider research in its general aspects, if it has not the power to call experts in various fields, is beyond me. I again mention university professors, and the submission of the engineering institute. I also refer to the amendment proposed by the hon. member for Vancouver-Quadra (Mr. Green), who said that certain unclassified information should be given to the committee. If that is not done, if this committee does not have the ability to call witnesses to give evidence before it on highly technical subjects, if it has not the power to call for unclassified material it will hardly be worth bothering with at all. How can a committee recommend ways of encouraging and training scientists and engineers without the advice of senior men from universities and the profession? The way in which the committee is constituted at the present time, it is like the old song: "Mother, may I go out to swim? Yes, my darling daughter. Hang your clothes on a hickory limb, but don't go near the water."

Unless the amendment proposed by the hon. member for Vancouver-Quadra is accepted, you might just as well forget about any constructive recommendations coming from this committee.

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, I would like to say a few words on this resolution that a special committee be appointed to examine into the role of government in the field of non-military research in Canada.

I would like to congratulate the hon. member for Lambton West (Mr. Murphy) on being more or less finally successful in achieving his goal, in that year after year he has been bringing to the attention of the government the need for the setting up of such a committee. However, I simply cannot understand why the government, after considering this question for so many years, will not accept the amendment as we have brought it forward, with the power of sending for persons and papers to ensure that everything possible will be done to make this committee workable, successful and of great value to our economy in all its phases.

The hon. member for Broadview (Mr. Hees) has pretty well described the situation with regard to industry and has pointed out the necessity for research in industrial fields in order that Canada may keep pace with the other countries in the world that are producing and manufacturing the same goods we are. In that respect we might just consider for a moment an editorial which appeared recently in the London *Free Press*. I do not intend to read the editorial but I wish to put the heading on the record:

> Production Race—Russia vs. the West

The hon. member for Oxford (Mr. Nesbitt) indicated what is being done with regard to the training of scientists in other parts of the world. An article also recently appeared in the London *Free Press* with regard to the subject he spoke of. I should like to read the heading of the article:

> Britain Tries to Remedy Scarcity of Scientists

It says in part:

> Prime Minister Sir Anthony has announced a plan to spend £100,000,000 over a five-year period to train scientific and technical workers.

It might be of interest to comment on the fact that this morning I received one of the Soviet news bulletins which come to our desks and which we sometimes feel should not have the benefit of our mails. I should like to read the heading of the article and to quote briefly from it:

Young Soviet Technical Specialists—
Great headway has been made in technical and agricultural education in the U.S.S.R. At present the number of students at technical higher schools makes up 650,000 and at agricultural higher schools, about 200,000.

This is an indication, as the hon. member for Oxford said, that we should probably follow the suggestions made in the Massey report and give more consideration to the setting up of scholarships and of providing extra assistance to students at all levels so that we may have the advantage of the best brains that are available in this country. This question has been brought to our attention many times during the present session.

Looking at the economy of Canada, which is so buoyant at the present time, it would appear that our total economy is in a very healthy condition. In the last two days, however, we have had a debate in this house on the value of parity prices for agriculture. After listening to all the speeches that were made, after reading various newspaper articles that were written and after talking to the farmers personally, we realize that the agricultural phase of our economy is not in the same healthy condition. In the last few days we tried to bring some assistance to the farmers through the medium of parity prices. There may be a possibility of bringing assistance to the farmers through the medium of research in the field of agriculture. I hope that considerable time will be spent by the committee in going into the question of agricultural research because it is of tremendous importance in relation to our economy.

When we realize that the farmers' share of the net national income dropped from a high of 13·6 in 1948 to 6·8 in 1954 it gives us ample reason to believe that something should be done. We do realize, however, that great steps have been taken in the last 20 years in relation to agricultural techniques, the type of machinery that is used and the agricultural methods that are practised. We have practically had an agricultural revolution.

Figures were quoted here in the last two days to indicate that, in spite of the fact that the farming population has dropped to a great extent in recent years, farm production has increased over what it was before the war. There is little or no question about the farmers being efficient. Probably they are just as efficient as any other members of our economy. The farmers have been assisted in the last two years by agricultural colleges, sub-stations, and experimental farms. This knowledge has been taken to the farmers through the medium of agricultural representatives, federations, farmers' unions, crop improvement organizations and seed fairs. All these mediums have been used to bring the new and improved technological knowledge to the attention of the farmers in order that they may have the value of this research. I feel that the field of agricultural research is practically unlimited, as in so many other fields.

Sometimes we feel that there could be more co-ordination in the different institutions involved in this question, as was suggested in 1946 and 1947 by W. H. Cook, who made a comprehensive study of agricultural research in Canada and recommended an agricultural council which would serve agriculture, much as a national research council serves industry.

Dr. G. S. H. Barton, who was deputy minister of agriculture from 1932 to 1949, recommended that an agricultural research foundation should be set up to fulfil somewhat similar functions.

Professor C. G. E. Downing, of the Ontario Agricultural College in Guelph, in a recent article points out, and I quote:

At six federal institutions, in 1954, there were only three fundamental research projects under way, and at six colleges and universities only ten fundamental research projects. He points out that lack of organization and co-ordination between federal institutions and colleges has resulted in duplication of considerable research. No leadership has been given in the research undertaken.

Further, Professor Downing states:

Fundamental research must be undertaken on a nationally co-ordinated scale if any real progress is to be made in engineering research for agriculture in any or all of its aspects. This can best be accomplished through one central co-ordinating research centre with regional research units, staffed by highly trained personnel capable of planning and directing research with broad implications. These units should provide the data for the development of equipment, methods and practices which may be adapted to regional conditions.

There are many phases of this great field of agriculture in which research could be most important. I think we can take a lesson when we consider what crops might be produced. A few years ago it was thought that soybeans would not be a profitable crop in this country, but that has been proved a fallacy because in 1954 there were 254,000 acres sown with a production value of $11,887,000. Many years ago the growing of fibre flax was an important phase of our agricultural industry, and I sometimes wonder whether research of the right kind

would not bring about a resumption of the growing of this crop and the development of a linen industry in this country.

Another phase of industrial research was brought to my attention a few days ago by a question asked in connection with the use of stilbestrol in cattle and poultry feeds. When I heard the answer given by the Minister of National Health and Welfare I gathered that the minister was not too sure about the matter himself. We are told that this is a very powerful drug which has to be used with care, and I wonder whether it should be put on the market before additional research is carried out to prove that it is not detrimental to the health of the people of Canada.

We can find many instances where research would be of great benefit. When we think about this question of research we cannot help but wonder what is going on in the rest of the world. I have often wondered why Danish butter was always in first demand on the British market, and the same with Danish hogs. But then I read that in Denmark, a country much smaller than Canada with a population of approximately 5 million people, there are 28 agricultural colleges. No doubt the boys and girls going through these colleges are able to carry on some research activity at home and are better able to interpret the policies developed by their agricultural colleges.

There are many other matters in connection with which additional research could be carried on, such as the handling of fresh vegetables and fruit, the refrigeration of vegetables, meats and perishable products and the packaging of all types of agricultural products to make them more palatable and attractive to the consuming public. Even in the face of our apparent surpluses, I think the main question is the possibility of developing means of increasing our production as our population increases in order to prevent the situation which has been mentioned by so many of our learned men, that before too long we will be short of food supplies.

To the urban dweller research is usually associated with atomic energy, medical drugs, vitamins, television and so forth, but to a farmer research means hybrid corn, disease resistant crops, better control of insects, diseases of weeds, animals that grow faster and cows that give more milk. It means more efficient ways of pricing and marketing his product. It adds up to a higher standard of living for the entire community.

Mr. John B. Hamilton (York West): Mr. Speaker, I doubt very much whether under the terms of reference mentioned by the hon. member for Oxford (Mr. Nesbitt) I could

[Mr. Howe (Wellington-Huron).]

qualify as even an amateur scientist in so far as my ability to take part in this debate is concerned. I have not even read the pulp magazines to which the hon. member referred. But I do feel that I have considerable responsibility in presuming to speak on a subject of this kind. It seems to me that the terms of reference under which this special committee will operate cover a most important field of activity, one which will affect not only our economic life but perhaps the moral and spiritual values throughout the whole world for hundreds of years to come. In that respect it may plot a course for us which will have far-reaching effects.

I only hope that as a result of setting up this committee we may have a continuing flow of information made available not only to the committee but to the public at large, on the widest possible basis. I hope I will be forgiven if I read briefly from the preface of a book which was sent to me by Dr. R. L. Hearn, an outstanding engineer and head of the Hydro Electric Power Commission of Ontario. This preface is by Roger H. Evans, director general of UNESCO and the book is entitled "Nuclear Energy and Its Uses in Peace". The preface reads:

> Almost any new discovery in science may be used for good or for evil. It is men who decide, according to their needs of the moment, and according to their moral and philosophical conceptions. With peace now prevailing, with the peoples of every nation eager for the good life, and with ample knowledge now available from 15 years of research, the time is certainly ripe for developing the beneficent and constructive uses of the atom for peace.

And later:

> Thus a new era opens. The science of atomic materials and the engineering uses of atomic energy will be shared by all the world. It becomes as important for the public to learn the new facts as it has been to understand the use of coal and steam. The new power will be widely used long before school textbooks can be rewritten and before the children who study them can become adults. An introduction to the new knowledge and to its use in ordinary peaceful living is needed at once.

There is little doubt that this knowledge is needed at once. As I listened to General Gruenther this morning I began to wonder whether we could accomplish all that we would hope to accomplish in this committee if we attempted to keep separate the fields of military and non-military research. In this respect I agree with the opinion expressed by the hon. member for Oxford that it is going to constitute a most serious question. No one here wants to urge that the committee be given classified material, but it is going to be very difficult to make the best use of this committee; it is going to be very difficult to produce the best results in atomic research, if we are going to have it developed on two parallel lines, developed with two separate and distinct groups of scientists,

developed with two separate and distinct votes of government funds, and developed for two separate and distinct purposes.

I think I might be forgiven if I refer again to the problem of development and research in the field of aviation as a typical example of the problem that faces us here. No one can deny that the progress we have made in the commercial aviation field has been tied very definitely to the development of aviation as a means of waging war. The aircraft industry in this country is concerned, I believe it is distressed, because it feels that the government is not prepared to take that one additional step which is required to integrate the benefits that are being produced in military research, by bringing them forward and producing the results that can be produced right within this country in connection with commercial aircraft development.

Now I should like to refer, in connection with this phase of the matter, to the submission made by Avro at Malton to the Gordon commission on economic prospects. I shall read only a few words from this submission:

> At the outset, it should be stated that military aviation requirements provide the impetus for practically all aeronautical advances. It is a historical fact that, except for one or two cases, every commercial airliner flying today is a direct offshoot of a military aircraft. The reason for this is that the research and development needed to bring about a major advance are so costly that seldom can they be justified from a purely commercial point of view. This limitation does not apply to the military. When it becomes a matter of survival, economics are secondary.

Further on the submission says:

> The use of atomic power in military aircraft also probably is not far off. Its introduction will make a difference mainly in economy of operation and almost unlimited range, rather than in speed and altitude, since atomic energy will be, in effect, a substitute for fuel in already existing power plants. However, until a shielding process can be found which does not involve the tremendous weight of material needed at present, atomic power will be used only in the largest aircraft.
>
> The application of all these advances to civil aviation undoubtedly will depend, as in the past, on how quickly they can be proved reliable enough and economical enough for use in transporting passengers and freight. The nature of the advances will be governed by advances in military aviation.

Mr. Byrne: Mr. Speaker, I rise on a point of order. I perhaps am not as charitable in my forgiveness as most hon. members. I think we have heard sufficient of these quotations in this debate. These matters, and certainly opinions of experts, could be much better brought before the committee and not before the house as a whole. We have 265 members here whose own opinions I am very anxious to hear, but I think the place we should hear these technical opinions is in the committee. For that reason I believe the hon. member is out of order.

Mr. Hamilton (York West): I think the committee in question would be delighted if it had the power to call Mr. Crawford Gordon, junior, of Avro Aircraft at Malton, and ask him exactly how he felt about this particular phase of investigation and research.

Mr. Dickey: Would the hon. member permit a question? Does he suggest for a moment that the committee has not the power to invite Mr. Crawford Gordon to come here and give evidence, if he is willing to come here, for as long as he wants to give evidence?

Mr. Hamilton (York West): Instead of the parliamentary assistant phrasing that in the form of a question—

Mr. Dickey: Just answer the question.

Mr. Hamilton (York West): —if he will inform the house that the committee will definitely have men such as Mr. Crawford Gordon here, I assure you I will not need to quote all the remarks to which I have been referring.

Mr. Dickey: It is not up to the parliamentary assistant. It is up to the committee.

Mr. Green: Then give it power to send for witnesses. Why hamstring it?

An hon. Member: What will the committee do?

An hon. Member: What it is told.

Mr. Hamilton (York West): This has certainly been an interesting aside. At least it has brought some of these things to the attention of the members of the house, and perhaps I may be allowed to continue.

Mr. Byrne: I think I am perfectly right—

An hon. Member: Sit down.

Mr. Byrne: —in raising this point of order as to the reading of excerpts from too many technical opinions.

Mr. Deputy Speaker: Order. The hon. member for Kootenay East has raised this point of order with regard to the reading of extracts. The extracts to which the hon. member for York West was making reference did not in my opinion, offend the rule with regard to commenting on proceedings within the house or the remarks of members within the house. Hon. members, I think, are well aware of that rule.

I presume that the point of order raised by the hon. member for Kootenay East is with regard to the reading of long extracts, which in effect introduces another member into the House of Commons and which at times has the effect of expressing not the opinions of the member who has the floor

but the opinions of some other person. I believe Speakers have invariably ruled that the reading of such long extracts is not in order. I am not aware of any rule against the reading of short extracts as long as they do not offend against the citation I mentioned earlier. Therefore I can only ask the hon. member to take care that he does not offend any custom of the house against the reading of such lengthy extracts that he is in effect expressing not the opinions of himself, but the opinions of another.

Mr. Hamilton (York West): Perhaps I should have used a procedure I have found necessary to use in court from time to time, adopting the words of the expert and using them as my own. I am quite sure that I shall be within the rules of order of the house. However, I do not have to quote these things. I thought that in doing so I was bringing before the house the opinions of experts in this field.

When I began to speak I said I thought that anyone who took part in this debate was presuming a great deal if he did not qualify as even an amateur scientist, as set out by the hon. member for Oxford. However, the extracts I have quoted indicate that the nature of the technical advances in the industry will be governed by advances in military aviation. This opinion is confirmed by the submission to the same commission by Canadair Limited of Montreal, which sets out very clearly that in all phases of commercial aircraft development the background has been based very firmly on the lessons learned from research done in the military field. As a matter of fact, in that submission Geoffrey Notman referred very definitely to the setting up of a nuclear products division of the company on which a considerable amount of money, two or three million dollars, was being spent for the purpose of continuing research on a very definite basis as to the use of atomic materials in so far as aircraft are concerned.

Here are two plants engaged at the present time primarily in the production of military aircraft whose executives plainly see that there is a tie-in with respect to the research required in the one type of endeavour and the progress which may be made in the peaceful uses of aircraft in this country. Yes, Mr. Speaker, in reply to the question raised by the parliamentary assistant I say that the committee very definitely should call such men as Crawford Gordon, jr., of Avro and Geoffrey Notman of Canadair and have them outline in full their programs of research to see if it is not possible to take those programs one further step in order to enable us to take such terrific commercial advantage of the many millions of dollars being spent on military research in this field.

If we did that, perhaps we would not have the Minister of Defence Production losing so much sleep because he has invested $65 million or some such amount in a plant and is worried because we have not had a single plane in some time off the production line. If it were possible to ensure that the money being spent for that purpose, with the little additional help that might be required, would result in commercial planes for peaceful purposes coming off the same production lines, I think there would be a lot less concern in the country about the amount of money being spent in these activities.

I am wondering whether the Massey commission did not have something like this in mind in its recommendation under the heading, "Scientific Research Under the Federal Government". In that regard it had this to say:

> That under the direction of the privy council committee on scientific and industrial research, a study be made as soon as possible of all research activities of the federal government, with a view to their adequate co-ordination, the avoidance of any wasteful duplication, and the maximum co-operation that may be possible.

These words certainly fit the terms of reference that are required for this particular committee.

I should like to speak about one or two other phases of the problems that will confront the committee. The other day I received a letter from a constituent of mine who had heard a radio address by the hon. member for Rosetown-Biggar (Mr. Coldwell). She wrote me a letter in which she suggested that we should increase our gifts under the Colombo plan. I guess it was a pretty appealing radio address and had an effect. I had to write back and say that I was not exactly sure I could criticize the government in connection with the amount of money it was spending under the plan because after all I knew that whatever help was given had to come out of the taxpayers' pockets, and to a great extent I thought we were near the breaking point in that connection.

But I am wondering whether there is not another answer to such problems, another answer that may be produced before the committee. You know, scientists are able to equate the prosperity of a country or the standard of living of a country with the amount of energy, the amount of fuel that is available in that country. They talk about coal, petroleum, natural gas and even water power, but they lump them all together and talk about energy. They say that using this

formula you can determine just how far a country can go in raising its standard of living. They point out that on an annual basis the United States, which most people agree has the highest standard of living in the world, uses 8 tons of coal or energy, whatever you want to call it, per person; that Britain and Norway use 4·5 tons per person per annum, Japan 1 ton and India ·01 ton.

Then they say, compare this with the annual income per person in these countries. The United States figure is $2,000 as against 8 tons, the United Kingdom or Norway $1,000 as against 4·5 tons, Japan maybe $100 and India maybe $50. Their complete standard of living is determined by their ability to produce the energy required for the production of goods used in everyday life.

We are entering an entirely new field now. If we wanted to raise the standard of living of all people throughout the free world to our own living standard we would probably have enough energy of the coal-petroleum type to last us 25 or 30 years, but with the use of new materials, with the use of uranium and thorium as sources of energy, it would be possible for us to raise the standard of living of the peoples of the free world to our own basic standard and keep it there for a thousand years.

Perhaps this is the answer to the problems that face us in a period between peace and war. I do not think anyone believes that merely to complete the building of massive defence forces is going to be the ultimate answer. It seems to me that the one sure way of maintaining peace is to see that there is an exchange of this information, an exchange of the material which creates energy, and the raising of the living standards of substandard nations to our own level.

If we do that we will write the best insurance policy so far as peace is concerned that we can get anywhere. How are we going to do it? First of all we in this house have to get the information, and later we have got to do our part as parliamentarians to see that the information is distributed to the right people and ensure that the basic commercial quantities of the goods we have that will do this job are also made available to them.

I do not see why we cannot have the type of parliamentary and scientific committee they have at Westminster. The committee there can meet regularly. It can call before it scientists of all types. It can bring them from other lands as well. These scientists give lectures on this type of topic, so that every bit of information that is of commercial value is placed right on their doorstep.

If we could get such information perhaps we could help to solve some of the problems to which the hon. member for Oxford referred, when he mentioned the fact that we were losing out in the educational race. He pointed out that we are not producing the engineers we require to carry on this job. If we did that perhaps we could get away from such headlines as that which appeared in the Toronto *Telegram* last year, namely, "Lack of Engineers Surprising to Howe." If it is surprising to him, let us get the committee going and find out all about it. Maybe the Minister of Defence Production will be able to learn the answer as to why we do not have the engineers. In the article he is reported as saying:

> "This is hard for me to understand", Mr. Howe told the annual dinner of the association of consulting engineers here.

I had a letter from a friend in the United States the other day, and he said it was not very hard for him to understand. In the last three or four years we have had $395 million of engineering work done in this country, and all but approximately $33 million of it was done in the United States and shipped here. Perhaps that is one reason we do not have people with engineering skill remain in this country.

All in all, here is one opportunity. Let us not allow it to slip through our fingers. Surely the amendment which has been proposed by the hon. member for Vancouver-Quadra places with the committee the power to get the answers, the power to see that the information made available to it is given to the proper people in this country and the proper people in other countries to ensure that we all go forward, as freedom-loving nations, in the development of atomic energy for the use of all mankind and not just for the use of a few.

Mr. J. M. Forgie (Renfrew North): In my constituency lies the atomic energy plant at Chalk River. I am very happy indeed to note that this committee will be formed and an opportunity probably will be given to the members of that committee to visit the plant at Deep River. I very well remember that this atomic energy plant was begun when I was in the army at Petawawa in 1942. Today, carved out of the forest, we have one of the finest towns in Canada with a population between 4,000 and 5,000 people. It is composed mostly of brilliant scientists, people who are making a great contribution to the life of our country and to the scientific research which is being conducted at the present time. I deeply regret the passing the other day of Dr. Cipriani at Deep River. He was one of the leading scientists in Canada, perhaps in the world.

As I say, no doubt the committee will have an opportunity of visiting the place where these great developments have occurred during the last four years. As we all know, of course, one of the outstanding developments has been the cobalt bomb, which has been distributed throughout Canada and to many other nations in the world. It has been of great value in the treatment of cancer. These scientists at Deep River are quiet, modest and industrious people who are working away without receiving what I consider to be adequate compensation. I am sure when this committee go to Deep River during the coming months they will be greatly impressed by the devotion to duty of these people and the work that is being carried out there.

Later on in the year there will be developed by the government, in co-operation with Ontario hydro and Atomic Energy of Canada, a plant lying farther to the west at Des Joachims, which will make a substantial contribution to the use of atomic energy for industrial purposes. I think I am right in saying that the Minister of Trade and Commerce has stated that this will be a pilot plant and not a profit-producing plant. However, it will go a long way toward establishing the various uses to which atomic energy can be put in peacetime pursuits.

We are looking forward therefore, Mr. Speaker, to the visit of this committee to Deep River. I am quite satisfied that the personnel of the atomic energy plant there are looking forward to the visit of this committee as well.

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): It gives me great pleasure, Mr. Speaker, to support this resolution at this time because I believe the work of this committee will be a valuable contribution to the development of Canada. We are specifically to inquire into two sections, namely the operations in the field of atomic energy for peacetime purposes and the operations of the national research council. The national research council is an important government body in Canada, and I believe it will be very valuable to examine the operations of that council because I think we will be struck by its accomplishments. The national research council is responsible for co-ordinating all federal government research, I speak particularly of medical research as the Department of National Health and Welfare is very much interested in the development of such research.

I think it is quite evident to all of us that in many fields Canada is taking a lead in research. I propose to discuss at some length research in the field of health and welfare,

in which field I believe hon. members will agree that progress has been rapid and accomplishments great.

Mr. Trainor: In Canada?

Mr. Robertson: Very definitely, and I will prove that point as I go along. The need for research in health and welfare matters has been long recognized. The Minister of National Health and Welfare has laid great stress on the need for research in these fields. He has always felt that only by extensive research can we provide the foundation necessary for success in all aspects of health and welfare planning. Research in health matters has been enormously extended in the post war years, and it was during this period that welfare research first began to command serious attention.

Health and welfare research in Canada is now limited by several factors. The first and most important of these is the shortage of trained personnel. There can be no doubt that the most important need is to have well trained and eager scientists who are prepared to give their life to research. I should like also to join with the hon. member who has just taken his seat in paying tribute to Dr. Cipriani, who died a few weeks ago. We in our department know what a splendid contribution he made to medical research in this country. The second limiting factor is financial resources, although when we consider the vast sums which are presently being spent on health and welfare research in Canada this is not of primary importance at the moment. The need for additional financial assistance is probably limited by the lack of trained personnel.

Perhaps our greatest need at the present time is in the professional co-ordination and planning of research so that, as far as possible in this complex field, we direct our work to the most productive field and prevent needless duplication and overlapping. In so far as health research is concerned, all projects supported by the federal government are considered by a co-ordinating committee of technically competent experts before being recommended for approval or rejection to the research advisory committee. The general policy covering all medical research is under constant examination by the privy council committee on scientific and industrial research policy. In welfare research there is close liaison among the Department of National Health and Welfare, the provincial welfare agencies, the Canadian welfare council and other voluntary organizations and the schools of social work.

Let us examine the expenditure on medical research in Canada. Over $7 million is now being spent in Canada in health research. Of

this amount, $4 million comes from federal government sources and the remainder is contributed by universities, charitable organizations, the provinces and commercial organizations.

The federal budget for health research is eight times as large as in 1938, and four times as large as in 1948. In addition to the national health and welfare department, three other federal agencies sponsor programs of medical research; a division of medical research of the national research council, the medical section of the defence research board, and the Department of Veterans Affairs. These four agencies contribute more than half of today's annual expenditures in health research.

Through the national health program, $1·8 million was made available for research in 1954-55. Nearly $8 million has been provided under this program since its commencement in 1948. The percentage of the amount available which has actually been spent has risen from 59 per cent in that year to 88 per cent last year, the average expenditure during the life of the program being 85 per cent of the funds available.

In addition to these funds for specific research projects, $1 million has been provided under this program for technical equipment for research performance. Only a few weeks ago the Minister of National Health and Welfare approved a grant of some $24,000 to the University of Toronto for the purchase of special equipment for the extension of research work on heart disease in the province of Ontario. This grant brought to more than $125,000 the amount of federal assistance for heart research in this province during the current fiscal year. This equipment will be established in the Toronto General hospital under the supervision of the department of medicine and surgery at the university. It is part of a province-wide program for the extension of research and the development of new diagnostic and treatment techniques.

Similar assistance is being provided in the province of Quebec to the institute of cardiology and to other agencies, and similar grants have been made available for research work at the University of Saskatchewan and—

Mr. Green: On a point of order—

Mr. Robertson: —the Royal Jubilee hospital, Victoria, British Columbia.

Mr. Green: I submit this is a speech on health estimates, not on this resolution at all. Furthermore, the hon. member is reading every word of his speech.

Mr. Howe (Port Arthur): Mr. Speaker, I call your attention to the nature of the speeches that have been made throughout the afternoon by a series of Conservative speakers. If any of them spoke on the resolution before us I have not been able to follow them.

The Acting Speaker (Mr. Applewhaite): In view of the speeches to which I have listened all day and previously in this debate, I certainly would hesitate—in fact, I would decline—to rule the hon. member out of order on the grounds of irrelevancy. He is discussing an aspect of non-military research and the government role in connection therewith. This debate has been so general that it would be grossly unfair for me to rule the hon. member who now has the floor, or any other hon. member on either side of the house, out of order for discussing some particular aspect of research in this country.

On the other question raised by the hon. member for Vancouver-Quadra, of course I think the house and I are in complete agreement on two points; first, that the house and all members thereof always disapprove of the reading of speeches except when we do it ourselves. Second, I think the feeling of the house, as has been pointed out by Mr. Speaker in the lengthy statement which will be found on page 100 of the *Votes and Proceedings* of this session, is that there is apparently no procedure of which I am aware at the moment which will enable the occupant of the Speaker's chair to say that a certain member is reading his speech and must desist. I think Mr. Speaker made it clear at the time he made his lengthy statement that until such time as the representatives of the parties get together and agree on a procedure which perhaps will have to be included in our standing orders, the hands of the Speaker are pretty well tied, and whether speeches shall be read or delivered without reading must be left entirely to the good judgment, good sense and good debating ability of the members delivering these speeches and of those, as Mr. Speaker said, particularly who sit around him. The hon. member for Northumberland, Ontario.

Mr. Robertson: Thank you very much, Mr. Speaker. I might first of all tell the hon. member for Vancouver-Quadra that in the first place I am not reading my speech. It is true I have extensive notes.

Mr. Green: Somebody else's notes.

Mr. Robertson: I have also very extensive indentations here. I am sure if the hon. member came over and looked at my notes he would make a very poor speech indeed

if he attempted to read them. Furthermore, I have listened to speeches made by hon. members of the opposition and I maintain, Mr. Speaker, that I am in order whereas many of them were completely out of order.

If medical research is not an important division of the national research council, then I am completely uninformed on the work of the national research council. I venture to say that members of the opposition themselves will ask what is being done in medical research when this committee meets. I would not be surprised if the hon. member for Vancouver-Quadra himself were interested in the medical implications of this committee.

Under the public health research grant $500,000 is now made available each year for research in public health. More than $2,400,000 has been allocated under this grant in the past seven years. In addition, contributions are made from six other grants to research. These are the medical health grant, the general public health grant, the cancer control grant, the tuberculosis control grant, the crippled children grant, and the child and maternal health grant. Allocations made under these grants have increased from over $100,000 in 1948 to more than $1·25 million in 1954-55.

Under the mental health grant, $2·2 million has been made available; and when we look into the records for the year 1948-49 we find that only two projects were under investigation at that time. We find that in 1954-55 some 43 projects were being investigated. The sum of $1·5 million has been made available under the general public health grant; $600,000 under the tuberculosis control grant; $700,000 under the cancer control grant.

In this connection I would like to make reference to what the hon. member for Renfrew North said regarding the cobalt bomb. As hon. members know, this bomb was developed at Chalk River and has proven of great value in the treatment of cancer. In fact Canada is recognized as a world leader in this field. Not only have we installed many of these units in various cities in Canada, in Vancouver, Winnipeg, Windsor, London, Saskatoon and Port Arthur, but arrangements are being proceeded with to instal them in Ottawa, Kingston, St. Boniface, Saint John, New Brunswick, and St. John's, Newfoundland.

Last year I had the pleasure of going to the home town of the Minister of Trade and Commerce to represent the government at the official ceremonies marking the presentation of the cobalt bomb. While there I had the pleasure of sitting beside a very lovely lady at dinner.

Mr. McIvor: They are all lovely.

[Mr. Robertson.]

Mr. Robertson: But the thing that struck me was this. I have been in this house now for some six years, and I have listened to considerable abuse heaped upon the minister by members of the opposition parties. I talked to this lady at dinner and she said to me, "I have always been a lifelong Conservative, but I always vote for Right Honourable C. D. Howe."

Mr. Hees: Was she good looking?

Mr. Robertson: She said, "If I did not, remembering his great contribution to Canada, I could not sleep at night".

Mr. Bell: Are you trying to out-bid Bennett for the cabinet job?

Mr. Robertson: I say that is the high regard in which the right hon. minister is held by the majority of the Canadian people; and further, in their hearts I know that is the feeling of the hon. members of the opposition.

Mr. Charlton: Go on with research now.

Mr. Hamilton (York West): This is political research.

Mr. Robertson: Further, we have contributed $70,000 under the child and maternal health grant and $130,000 under the crippled children's grant.

Mr. Trainor: Mr. Speaker, is all this information available elsewhere; in the estimates, for example?

An hon. Member: This is political research.

Mr. Robertson: I believe the hon. member who has just risen questioned whether there was much we could tell him about medical research in Canada. I think what I have put on the record is possibly a little more than he knew about. In addition, substantial sums have been allocated for the training of health workers—

An hon. Member: Oh, tell us about the lady you had dinner with.

Mr. Robertson: —so that 9,350 additional health workers have been trained, among whom are a large number of research workers thus helping to overcome one of the serious bottlenecks in health research.

I think it is quite evident, therefore, that the federal government has taken the lead in providing financial assistance toward research projects of all types. Evidence of the value of such financial assistance is not hard to find. All members of the house are well aware of the important role played by Canadian research in the production of Salk poliomyelitis vaccine.

An hon. Member: They did not discover it.

Mr. Robertson: At one stage it was found that in order to grow the poliomyelitis virus, live tissue cells in a culture medium were required. While numerous investigators were engaged in the search for such a medium, a synthetic solution developed in Canada in connection with cancer research, medium 199, proved to be the answer and this combination was used by Salk in the production of poliomyelitis virus.

This not only permitted the original developmental work to progress at a greatly accelerated pace but also paved the way for the production of massive quantities of the vaccine. Further, the research investment at the Connaught laboratories has resulted in the cost of the final product there being much lower, in actual figures about one-third of the cost of the commercially produced vaccine.

Research on the production of ACTH and cortisone at the Connaught medical research laboratories made possible improved and more economical methods for the production of these drugs, so that the cost of the 25 milligram vial, which in 1950 cost $5, was reduced to $1.75 a few years later.

Mr. Trainor: Mr. Speaker, would the hon. gentleman say who owns and operates the Connaught laboratories?

Mr. Robertson: Mr. Speaker, I believe the University of Toronto controls it.

Mr. Trainor: It is the province of Ontario, is it not?

Mr. Robertson: I can also tell the hon. member that the large grants provided specifically for this purpose made possible the development of ACTH and cortisone.

Mr. Trainor: What proportion?

An hon. Member: But this government should not take the credit for it.

Mr. Robertson: Mr. Speaker, hon. members opposite are very prone to give credit to certain provincial governments, but I think the facts I have placed on the record show that the federal government is taking the lead in medical research. I give you another instance, Mr. Speaker. Research on the influenza virus at the institute of microbiology and hygiene in Montreal has produced a vaccine which is now undergoing field trials in three areas in Quebec, and the results made will pave the way for the ultimate production of a dependable preventive agent for influenza. Other studies at this and other centres are being performed on recently discovered viruses responsible for acute respiratory diseases similar to influenza, and interesting developments may also be anticipated here.

Mr. Trainor: Another provincial government achievement.

Mr. Robertson: In the study of heart disease and related afflictions remarkable progress has been made, particularly in experimental surgery. In centres in both Quebec and Ontario to which I have already referred, clinical research workers are conducting extensive studies on such conditions as valvular disease of the heart, coronary thrombosis and congenital heart disease, hypertension, the peripheral blood vessels, and the development of instruments used in the determination of cardiac function. Techniques have been evolved and put to practical use which have meant relief from suffering and prolongation of life for increasing numbers of people.

Only about a month ago I had the pleasure of talking to a lady who lives here in the city of Ottawa. She told me of the great distress she had for many years before she went to the surgical clinic in Toronto. She had been unable to climb stairs or carry out any of the ordinary activities of daily living. However, following an operation at the heart clinic of the Toronto General hospital she was restored to almost perfect health and is now able to manage the ordinary affairs of her home life. That is a very concrete example, Mr. Speaker, of what has been accomplished by medical research in Canada.

An hon. Member: In the province of Ontario.

Mr. Robertson: I am not suggesting at any time that all the credit belongs to the federal government. I think I have paid compliments to the work of the provincial governments. Our department has always been willing to give credit where credit is due, but I for one will not take the narrow approach which hon. members of the official opposition are taking in this matter.

An hon. Member: You are constantly quoting the achievements of provincial governments.

Mr. Robertson: A few months ago the Minister of National Health and Welfare convened a meeting of leading heart authorities from all parts of Canada, and as a result the Canadian heart foundation was formed. This foundation will have affiliated provincial associations, and its main purpose will be to raise money to carry out basic and clinical research on all heart disease. I am sure it will make the same splendid contribution to research which is being made by the national cancer institute, the Canadian arthritis and rheumatism association, and other similar bodies in Canada.

There are numerous studies being carried out in Canada on arthritis and rheumatism. These studies should contribute materially to the finding of some satisfactory cure for these

crippling diseases, which affect some 225,000 Canadians of which number 115,000 are severely or totally disabled.

Time does not allow me to dwell longer on the various research projects being carried on through the federal health grants. Over 400 individual projects have been approved by the minister and are in various stages of completion. Many of these will produce results of profound importance.

Mention should be made, however, of the Canadian sickness survey which was carried out between 1950 and 1951 and involved the study of some 50,000 persons in all age groups and social classes throughout Canada. This survey indicated the nature and extent of sickness among Canadian people, the effect of illness and disability on the population and the health care they received. This survey has been published in detail and has received world-wide recognition for its successful prosecution and productive outcome.

The national health survey was carried out early in the national health program in order to assist the provinces to take an inventory of their health resources. The research and statistics division of the department will shortly publish a comprehensive half-million word report on this survey. Both these reports have been of great value in laying the basis for the health insurance studies which have been going on in the department for some years.

Comprehensive bulletins have been produced on health insurance systems in force in the principle countries of the world, and on our own public non-profit and commercial schemes in Canada.

Extensive analysis of costs and utilization of data have been carried out both by the provinces and the federal government, and this analysis proved of immense value at the recent federal-provincial conference on health insurance. Without them a scientific and responsible approach to the problem of health insurance would have been impossible, and the proposal made by the federal government at this conference for the introduction of health insurance in Canada would have been impossible.

Welfare research has not made the advances that health research has, but a number of important studies have been carried out by the Department of National Health and Welfare. The research done for the old age security committee of this house made possible an intelligent approach to and solution of the old age security problem.

Studies carried out by this department made possible the commencement of the disability allowance program. A survey of welfare positions in Canada a few years ago indicated the need for increased members of welfare personnel. We have also made studies of the various welfare services in Canada and these have been published in bulletin form for the assistance of welfare planners. Studies have been made for the United Nations and its specialized agencies on various aspects of welfare services in Canada.

I believe this brief outline of the various research activities in the health and welfare field which I have presented proves very definitely that medical research workers are quite well aware of their responsibility and are taking every possible means to improve the quality and quantity of medical research. We can, I think, look forward to gradually unlocking the doors behind which are the secrets of many of the most formidable diseases now afflicting the human race.

I believe that the establishment of this committee and the work it will do will make a further important contribution to medical research in this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on this occasion it is possible for me to commence my remarks with the well-worn phrase that I did not intend to take part in this debate. The remarks I shall make will make the truth of that well-worn statement obvious. I have been prompted to take part in this discussion by the very interesting speech which has just been made by the hon. member for Northumberland (Mr. Robertson). I am also delighted that a point of order was raised during the course of the hon. member's speech on which Your Honour ruled, making it clear that we are permitted to discuss any phase of non-military research.

I agree with the hon. member for Northumberland as to the important part which has been played in this country by research of the type made possible by the Department of National Health and Welfare. I welcome, as do all hon. members, the medical research which has been carried on by the department or which has been facilitated by federal grants made under the direction of the Department of National Health and Welfare.

I agree also with the hon. member that the research which has been carried on by the research division of the Department of National Health and Welfare with regard to health insurance has been extremely valuable. It is still my view that after 37 years of talking about bringing in health insurance the Liberals ought to have plenty of material of their own on which to base such a program. However, it is a fact that the research into this important problem which has been carried on by the department has provided the

basis upon which a national program of health insurance can now be established.

As a matter of fact I am satisfied that the extent of the research which has been carried on would make possible a much bolder step in the field of national health insurance than is envisaged in the proposals made by the federal government to the provinces at the conference held recently in the city of Ottawa. If we are not moving ahead as fast as we should it is not the fault of those who have done the research, it is the fault of the government which is still dragging its feet in this important field.

Likewise I join with the hon. member for Northumberland in expressing thanks to the research division of the Department of National Health and Welfare for the excellent work they did for our committee on old age security which met in 1950. I am sure that the Minister of Northern Affairs and National Resources (Mr. Lesage), who was a joint chairman of that committee, will agree with me that the research done by the department provided the basis on which we were able to make intelligent decisions in the important field of old age security.

It is precisely because of the importance of the groundwork which is done by those who do research that I feel further research should be done into the whole question of how our older people are getting along. There were a few twitters in the house this afternoon when a starred question of mine was called. I refer to the one that asked about civil servants' breakfast habits. There were further twitters when the parliamentary assistant to the Minister of National Health and Welfare made his reply.

I want to say that I was quite serious in putting that set of questions on the order paper. I was serious with respect to both parts of it. I approve of what the nutrition branch of the Department of National Health and Welfare is doing by way of conducting research into the eating habits of some sections of the Canadian population. I feel that by continuing such research, information can be obtained on the basis of which education can be made available in an effort to improve the health of our people through better nutrition.

I was not only quite serious in my interest in what the nutrition branch of the Department of National Health and Welfare is doing among the Ottawa civil servants, I was also extremely serious in my suggestion that similar surveys might be made among groups of old age pensioners in this country. In fact my question suggested that research might be made not only into the question of whether or not old age pensioners are eating adequate breakfasts, but as to whether or not they are getting adequate meals at any time of the day. Therefore I urge most strongly that the research envisaged in the motion now on the order paper be extended into this whole field of how people of 65 and 70 years of age and over are faring in this wonderful country at this time.

Some days ago I suggested to the Minister of National Health and Welfare that a special committee might be appointed to review all our old age legislation. The Minister of National Health and Welfare in one of those typical responses of his chose to present a question to me rather than to answer my question.

I remind the house now that my request for research into how our older citizens are faring was based on the fact that the welfare council of greater Winnipeg has carried on research into this matter and has produced an interesting report entitled "Age and Opportunity". When I referred to it on February 29 the Minister of National Health and Welfare indicated that he had seen a copy of this report, and I hope that in the meantime he has had an opportunity to study it.

I remind the minister and others that in this report are included a number of recommendations. One of them is to the effect that the whole policy of our old age legislation should be reviewed every four or five years. The welfare council points out that this was the recommendation of the Canadian Welfare Council when it appeared before our old age security committee in 1950. A number of years have gone by since then, and it seems to me that the position of the welfare council of greater Winnipeg and of the Canadian Welfare Council is well taken, that the time has come for a review of this matter and for research into this whole question.

That was the point of the questions to which I have already referred, namely that in my view research into whether or not old age pensioners are eating adequately is just as important as some of the other fields of research which it is suggested should be undertaken. This indeed would be research into how old people are able to keep alive on $40 a month. I am satisfied that if such research were carried on it would be ascertained that it is impossible to live on that amount of money. I am sure that any objective group carrying on such research would come back with the recommendation that there should be an increase in the amount of the old age pension.

I have already referred to this excellent report prepared by the welfare council of

greater Winnipeg. I have indicated that on page 41 is the suggestion that the government's $40 per month program should be reviewed. I should like hon. members also to look at page 26 of the report, where it is stated that so far as Winnipeg is concerned, this body of researchers has discovered that for couples and single persons over 70, median incomes are only slightly greater than the old age pension. The report states:

> This means that half of the aged—at 70 or over—depend almost entirely on the pension for cash income. It is also clear that the pension in itself is not sufficient for purchase of the necessities of life in an urban community.

I am not going to read further except to indicate that the very next paragraph on page 26 is entitled "'Life On Forty' Is No Pleasure." The paragraph goes on to make it crystal clear that trying to live on $1.31 per day is an utterly impossible task. This report, I might point out, is based on research into all the activities of older people in the Winnipeg area, how they manage to eat, their medical problems, the kind of housing conditions under which they live, and so on. There is a mass of information but it is, of course, related only to older people in the city of Winnipeg. If research like that could be made into the lives of old age pensioners in various cities across Canada there would be amassed evidence that even the Minister of National Health and Welfare could not resist, in fact, evidence I believe he would be glad to use in a campaign within the cabinet for an increase in the amount of pension to at least $60 or $65 a month.

Mr. Speaker, I realize that Your Honour was not in the chair when I took the floor, and you may wonder just what is before the house. When you left the chair you thought we were discussing a motion having to do with research into atomic energy and matters of that kind but, as no doubt your assistant deputy has pointed out to you, the debate has taken a rather wide turn while you have been out of the chamber.

I do not object to the wide turn it has taken. In fact I welcome it; that is obvious. It was made particularly wide by the very interesting speech made by the hon. member for Northumberland, who expressed pride, in which we all share, in what has been done in this country in the way of research that has been carried on under the Department of National Health and Welfare, or by means of grants made under the direction of that department. I do not wish to detract by one iota from what the hon. member for Northumberland said. Rather I suggest we go further. The Department of National Health and Welfare, which is so proud of the research that has been done and the progress that has been made on the basis of that research, should initiate further research into the question of how old people are getting along on $40 a month.

Mr. Martin: The hon. member knows that is being done right now.

Mr. Knowles: The minister says I know that is being done right now. I know no such thing. As a matter of fact this afternoon, when I asked him for some information on the basis of alleged surveys in this field, he said he was the best example of the results of that kind of research. Obviously he got a little mixed up, but the fact of the matter is that we have had no indication that any serious attempt is being made by the department to find out whether $40 is sufficient for our old age pensioners.

I read with interest the report of the Department of National Health and Welfare, which was published just a short time ago. It refers to the research mentioned by the hon. member for Northumberland. It refers to the breakfast survey, about which I questioned the minister earlier today. It has a page or two about the old age security pension. It gives the statistics as to how many people are drawing the pension, how much money is being paid out in pensions, the age at which pensions are paid and so on, but there is no suggestion that anybody in the department has inquired as to whether or not this is an adequate pension.

I tell the minister, I tell the government and I tell this house that a long time has passed since the figure of $40 was set. It was set in 1949. In the meantime there have been increases in many other fields. In the meantime there has been an increase in the cost of living. In the meantime there has been a tremendous increase, 65 per cent or more, in the gross national production of the country. I tell the minister that there is a case building up in this country for an increase in the old age pension which he cannot resist and which he dare not resist. If he does, he will find that before long he will be on some form of relief or public assistance himself. This is just as important an issue for this country today as it was when it was first advocated before and during the first war. It is just as important as when it was first accomplished, largely through the efforts of Mr. J. S. Woodsworth in the middle twenties. It is just as important as it was in 1950, when we—

Mr. Martin: Mr. Speaker, I rise on a point of order.

Mr. Knowles: You are too late.

Mr. Martin: My estimates are going to be discussed in the committee, I understand, on Friday.

Mr. Knowles: Tomorrow morning.

Mr. Martin: My hon. friend will have an ample opportunity to make his speech and I will have an equal opportunity of pointing out how unfair and inaccurate his statements in the past 15 minutes have been. In any event, I say this is wholly out of order.

Mr. Knowles: Perhaps the Minister of National Health and Welfare was not here either, as I know he was not, when his parliamentary assistant made an excellent speech. The point of order was raised that it was the kind of speech that should be made on the minister's estimates. That point of order was raised by one of my Conservative friends. The Speaker in the chair at the time said that this debate had become quite wide and that it was possible to discuss anything that came under the heading of non-military research. It was from the parliamentary assistant that I took my cue.

Mr. Robertson: I think the hon. members who were here this afternoon will definitely agree that I confined my remarks entirely to medical research in Canada. I did not discuss what we should do about old age security.

Mr. Knowles: I am afraid the hon. member forgets what was in the speech he read to this house. He definitely made references to research regarding health insurance. He definitely made statements regarding research into old age security. In fact he took credit for that research as being the basis for the legislation regarding old age pensions that we now have. I do not object. I just want it to continue. I want research to be carried on so that we can deal with this matter intelligently. Thus far we have just had a figure out of the air on which our old people are asked to live. I want basic scientific research on what is needed to provide for our older people of 65, 70 and over. I want basic scientific research as to what this country can afford to pay its old age pensioners. I am satisfied that out of our present gross national production we can increase the amount tremendously, and on the basis of that research I call upon the government to meet this country's demand for a really substantial increase in our old age pensions so that our older people can enjoy a decent life, to which we believe they are entitled.

The house divided on the amendment (Mr. Green) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Drew
Ellis
Fraser (Peterborough)
Fulton
Gagnon
Gillis
Green
Hahn
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Leboe
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
Michener
Mitchell (London)
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Small
Smith (Battle River-Camrose)
Stanton
Starr
Thatcher
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—72.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cannon
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Healy
Hellyer
Henry
Hollingworth

Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIvor
Maltais
Mang
Marler
Martin
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Stick
Stuart (Charlotte)
Viau
Villeneuve
Weir
Weselak
White (Waterloo South)—127.

Mr. Speaker: I declare the amendment lost. Is it the pleasure of the house to adopt the main motion?

Mr. Ellis: May I move the adjournment of the debate?

Mr. Speaker: The hon. member for Regina City (Mr. Ellis) moves, seconded by the hon. member for Nanaimo (Mr. Cameron), that this debate—

Mr. Harris: On a point of order, Mr. Speaker, if I may say so, I assumed—I did not take my hon. friend into my confidence, but I did say the other night that I thought we had an understanding that we would wind up this debate during this afternoon. I agree that there was no particular undertaking given, but I understood privately that would be what would take place.

Mr. Ellis: I had no knowledge of this understanding, Mr. Speaker. I had intended to speak on the amendment but since it was five minutes to six I thought it might be advantageous to have the vote taken and I would make my remarks on the main motion.

Mr. Speaker: Then the hon. member for Regina City moves, seconded by the hon. member for Nanaimo (Mr. Cameron), that this debate be adjourned. Is it the pleasure of the house to adopt this motion?

Some hon. Members: No.

Mr. Speaker: If hon. members do not accept the motion moved by the hon. member for Regina City, I shall have to remind them that it is now 10 minutes past six and therefore the proceedings are interrupted. Whether or not an hon. member moves the adjournment of the debate at this moment does not make any difference. If they want to carry the main motion, we do that by unanimous consent. If they do not want to carry the main motion, then because it is after six o'clock the proceedings are interrupted and I must leave the chair.

Mr. Harris: May I speak to the point of order again? I appreciate that the hon. member for Regina City would undoubtedly contribute to the knowledge of the house in what he wishes to say, but I am wondering if there could be another occasion on which he could make this speech, either in the committee if he is a member or perhaps on the report when it comes forward later.

Mr. Coldwell: I knew nothing of the arrangement, but I would suggest that it would be well to let this motion go through now so the committee could be set up and get down to work.

Mr. Speaker: Is it agreeable to hon. members to adopt the motion moved by the hon. member?

Motion agreed to.

Mr. Speaker: This debate is adjourned.

Some hon. Members: No.

Mr. Speaker: Shall I call it six o'clock?

Mr. Harris: My understanding is, sir—I may be wrong—that we are in agreement now that the motion will carry.

Some hon. Members: No.

Mr. Ellis: No.

Mr. Speaker: The hon. member for Regina City says no.

Mr. Harris: All right.

Mr. Speaker: Inasmuch as the debate is to be continued, perhaps I should tell hon. members immediately that I think I have allowed a great deal of latitude during the course of this debate. The next time we resume the debate I shall have to ask for strict adherence to the rule. I think we are getting away from the regular practice, especially after an amendment has been moved,

that speeches should be strictly confined to the subject matter of the amendment. We have done away with that in amendments to the speech from the throne—see citation 336 of Beauchesne, third edition—but I do not think the house would want to depart from the practice as far as other debates are concerned. Therefore I would like the house to know what are my feelings in this regard.

It being fifteen minutes past 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:

ATOMIC IRRADIATION

Question No. 186—**Mr. Argue:**

1. Is atomic irradiation being used by Canadian agricultural scientists in the development of new varieties of crops?
2. If so, what is the type of equipment and the approximate cost of its use by federal employees?
3. What improvements in various kinds of crops have been obtained by this method?
4. To what extent, if any, does atomic irradiation increase the number of mutations that plant breeders can obtain in a given period of time?

Answer by: **Mr. Gardiner:**

1. No, but X-ray irradiation is being used by the experimental farms service in co-operation with the national research council. Some work is also being done at the University of Saskatchewan.

2. The experimental farms service has, up to the present time, not purchased any special equipment for either X-ray or atomic radiation work.

The X-ray irradiation equipment at the national research council has been made available for our work. The approximate cost of this equipment is $25,000.

3. No productions of economic value have been developed in Canada. However, this program of work has not been active for a sufficient time to evaluate this method from the standpoint of the production of useful mutations in various species and varieties of farm crops.

4. Genes in a given plant species mutate at a very low rate under natural conditions. Irradiation greatly speeds up mutation rates. Thus, in barley the mutant gene influencing strength of stems occurs with a frequency of two per 1,000 spike progenies, following an irradiation of 10,000 r-units. The rate of mutations here has increased manyfold over that occurring under natural conditions.

In the case of genes controlling rust resistance in oats, a tenfold increase in the mutation rate of irradiated material over natural rate has been brought about with the proper dosage of irradiation.

BUTTER IN STORAGE

Question No. 240—**Mr. Proudfoot:**

How many pounds of butter were held in storage by the agricultural prices support board as of March 1, 1956?

Answer by: **Mr. Gardiner:**

On March 3 the accounts of the agricultural prices support board showed stocks on hand of 62,829,323 pounds.

BUREAU OF STATISTICS BUILDING, OTTAWA

Question No. 261—**Mr. Diefenbaker:**

1. Since what date has the dominion bureau of statistics building located in Tunney's pasture been occupied?
2. When was the said building completed?
3. Have complaints been received from the office occupants of said building regarding lack of heat? If so, how many such complaints were received?
4. Are additional or storm windows now being provided for the said building? If so, what is the estimated total cost of such new windows and the work and services of installation?
5. To whom was the contract let for supplies and labour or services in respect of such new windows?
6. What was the total of such contract or contracts, and what was the date thereof?
7. When did work for installation of new windows commence?
8. When is it expected such work will be completed?
9. Have any additional contracts been let, or are any contemplated, for any modifications of the heating or ventilating system? If so, what are the particulars thereof?

Answer by: **Mr. Winters:**

1. June, 1952.
2. Building was accepted by the department on January 14, 1953.
3. Yes, several.
4. Yes—$82,900.
5. McIntyre Aluminum Products Limited, Niagara Falls, Ont.
6. $82,900—Contract was awarded on September 13, 1955.
7. February 16, 1956.
8. April 15, 1956.
9. No.

FEED GRAIN ASSISTANCE GRANTS, ATLANTIC PROVINCES

Question No. 264—**Mr. Balcom:**

What subsidy was paid the farmers of the provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, through implementation of the feed grain assistance grants, during 1955?

Answer by: **Mr. Gardiner:**

Freight assistance was paid during the calendar year 1955 on shipments of western feed grain into Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland in the following amounts:

New Brunswick	$ 1,074,893
Nova Scotia	1,749,575
Prince Edward Island	398,495
Newfoundland	409,279
	$ 3,632,242

POSTAL EMPLOYEES—NEW WESTMINSTER, SASKATOON, TORONTO

Question No. 271—**Mr. Knight:**

1. What is the present number of postal employees in New Westminster, Saskatoon, Toronto?

2. How many of these individuals were employees of the Post Office Department one year ago, in the case of each city?
3. How many were taken on as employees during 1955, in the case of each city?

Answer by: **Mr. Lapointe:**

1. New Westminster, 105; Saskatoon, 282; Toronto, 3,707.
2. New Westminster, 97; Saskatoon, 267; Toronto, 3,387.
3. New Westminster, 10; Saskatoon, 16; Toronto, 442.

ENGRAVINGS FOR STAMPS

Question No. 277—**Mr. Hamilton (Notre Dame de Grace):**

1. What is the procedure by which the design of individual postage stamps is approved?
2. Are proofs of the printing plates as prepared by the engraver subject to approval by the department?
3. If so, for what purpose?

Answer by: **Mr. Lapointe:**

1. The designs are approved by departmental officers after consultation with officers of the national gallery as to artistic quality and after review by people qualified technically to say that the subject is portrayed accurately.

Questions

2. Yes.
3. To give formal approval prior to printing.

TELEVISION CAMERAS—PETERBOROUGH POST OFFICE

Question No. 278—**Mr. Fraser (Peterborough):**

1. What is the estimated cost of the instalment of the five television cameras in the Peterborough post office?
2. Were tenders called for this installation?
3. If not, how was the contract placed?
4. What has it cost to date for wiring, drilling holes in the new building, and generally getting ready for the installation of the cameras?
5. What is the estimated cost per year for the upkeep of these television cameras?
6. Is payment for this installation being paid for out of (a) post office funds; (b) by the public works department?

Answer by: **Mr. Lapointe:**

1. $50,092.50.
2. Yes.
3. See answer to No. 2.
4. Included in contract price.
5. First year's maintenance included in the contract price, and this trial period will enable future cost to be estimated.
6. Post office funds.

HOUSE OF COMMONS

Thursday, March 15, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. FULTON—ELIZABETH FAY SPALDING—REFERENCE TO ANSWER OF MINISTER OF CITIZENSHIP AND IMMIGRATION

Mr. E. D. Fulton (Kamloops): Yesterday, I asked the Minister of Citizenship and Immigration a question which is reported on page 2125 of *Hansard* as follows:

> May I ask the Minister of Citizenship and Immigration a question arising out of the answer he gave to a starred question a few minutes ago? Has the minister just recently issued instructions for the removal of this lady from Canada—where I might say she is now legally married and a resident—under section 7 of the Immigration Act, which would have the effect of circumventing the decision of the court?

To which the minister replied:

> The answer, sir, is no. If the hon. gentleman has any information about the alleged marriage of the woman in question I would be glad to have it.

To which I suggested he refer to the departmental counsel. Sir, the minister said no, he had not issued instructions. I hold in my hand a copy of a letter which reproduces a letter from the legal adviser to the Department of Citizenship and Immigration, dated March 8, which reads in part as follows. After advising the solicitor of the lady in question of certain developments in the case, it contains this paragraph:

> The minister has now directed that action be taken for Miss Spalding's removal under the provisions of subsections (4) and (5) of section 7 of the Immigration Act.

So that, sir, the information contained in a letter from the departmental legal counsel to the effect that the minister has issued those instructions is directly at variance with the answer given by the minister yesterday when I asked him whether he had issued those instructions, and he said the answer was no.

My question of privilege is this, sir: In view of the fact that we in this house are required to rely upon statements of ministers made with respect to matters under their jurisdiction, this house is entitled to an explanation as to whether the minister was in possession of the facts or not; and if so, why he gave the answer that he did. If he was not in possession of the facts, how is it that action is being taken by his department under his name, or under an order of the minister without his knowledge?

Mr. Speaker: I will allow the minister to answer the question, but before he does may I be allowed to inform the hon. member for Kamloops that his point is not one of privilege.

Some hon. Members: It is.

Mr. Speaker: No, it is not. It is one which may be further clarified before the orders of the day, but if the hon. member looks at citation 307 he will find that it reads as follows:

> A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.

Further to that I will comment that both here and in the United Kingdom a minister is at liberty to answer what he pleases and to refuse to answer if he pleases, and the matter can be pursued in a different way in a debate which may arise later, perhaps on the estimates of the department of the minister, but not as a question of privilege.

I will further refer the hon. member to citation 137 of Beauchesne which says:

> When the orders of the day are called—

—not at the opening of the sittings, as the hon. member does now, but—

> When the orders of the day are called by the Speaker and before they are read by the clerk assistant, it is the practice sanctioned by usage but not by any positive rule for members to make personal explanations or ask questions of the government—

And I pass over a few lines—

> . . . in respect to delay in obtaining returns or to the incompleteness of certain returns brought down under the order of the house.

I would say that complaint about the incompleteness or inexactitude of an answer could be dealt with when the orders of the day are called but not as a distinct question of privilege. The question raised today is in the same class as that which was raised yesterday by the hon. member for Eglinton (Mr. Fleming) and I think we must make a distinction here that instead of rising on a distinct question of privilege for the purpose the hon. member has put forward, it should be done when the orders of the day are called.

Immigration

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I feel there can be no question whatsoever, Mr. Speaker, that I have a question of privilege. The hon. member has suggested that the answer I gave yesterday to his question was not accurate and I should like to explain to the house precisely what did happen in this case.

At the time the reasons for judgment were given in the Brent case I consulted the legal adviser of the department and, after consultation with him, came to the conclusion that there would be no point whatsoever in proceeding with the appeal to the Supreme Court in the Spalding case. I asked at that time, "What should be done next?" because the decision of the court of appeal of British Columbia quashed an order for deportation but left this woman in the country without any status of any kind either as a visitor or as an immigrant. That situation could not be allowed to continue indefinitely.

As hon. members know, unlike the hon. member who asked the question, I am not a member of the learned profession of which he is a member and I have to get legal advice. After some consideration of possible courses, I suggested to the legal adviser that we give consideration to the possibility of the minister acting under section 7 of the Immigration Act. If the hon. gentleman will look at section 7 he will see that it would be impossible for anyone to act under that section except the minister himself so there would be no possibility of anyone else in the department doing anything unless the minister acted.

In order to make a complete disclosure I have to say this, and I am sorry to have to do so, but it appears that the legal adviser, being very busy, asked one of the junior officers in his office to advise the agent of the crown in Vancouver. Somehow or other a misunderstanding arose about this matter and this junior officer wrote a letter saying that the minister had directed that action should be taken, when all the minister had done was to direct that consideration be given to the possibility of action under this section. And that, sir, is the whole and complete story.

Mr. Speaker: In order to complete the point I was trying to make a moment ago, I would also refer hon. members to citations 191 and 192 of Beauchesne's third edition, and especially to citation 192, which says in the third paragraph:

> A dispute arising between two honourable members as to allegations of facts hardly fulfils the conditions of a privilege question—

Mr. Fulton: Mr. Speaker, on the point of order which you yourself have raised—not to pursue the question of privilege to which the hon. minister has now replied, but surely on the point of order—I raised it as a question of privilege, not because I was complaining that I had not received an answer, which I know is not a question of privilege under the rules, or because the answer was not complete, which is similarly not a question of privilege, but because the answer conveyed to the house information which according to the letter I now have in my hand is completely at variance with the facts which are within the knowledge of the minister. The minister has now explained that the letter from his departmental legal adviser does not correctly convey the decision which he had reached, so I think my question of privilege has been met.

But because the point of order is important, I submit that to raise a question of privilege as to the complete inaccuracy and misleading effect of an answer is valid. It is a question of privilege as distinct from raising a complaint that an answer had not been given or was not complete and I would hope that you would appreciate that distinction. I raise the point of order now only because it seems to me important not to let the matter pass by.

Mr. Speaker: I was seized of the point raised by the hon. member in which he complained, not of having an incomplete answer but of having what he considered to be a wrong answer. Is not that the point?

Mr. Fulton: The answer was directly at variance with the facts—

Mr. Speaker: I perceive that the—

Mr. Fulton: —on a subject peculiarly within the knowledge of the minister. We are told that the house has to rely upon ministerial statements and therefore it seems to me that it is a matter of privilege affecting the rights of hon. members of the house when such an answer is given under the circumstances which appear here.

Mr. Speaker: That is exactly the point. The hon. member contends that the reply given by the minister is at variance with the facts as he knows them and he immediately rose on a question of privilege and asked for an explanation. But that is not the type of question of privilege which is allowed at this moment at the beginning of the session immediately after prayers. I referred the hon. member to citations 191 and 192. The third paragraph of citation 192 reads:

> A dispute arising between two honourable members as to allegations of facts hardly fulfils the conditions of a privilege question—

I think that hits the point raised by the hon. member right on the head.

[*Later:*]

On the orders of the day:

Mr. Pickersgill: Mr. Speaker, I think I am in order at this time to point out that yesterday the hon. member for Kamloops (Mr. Fulton) asserted that if I wanted to find out about the alleged marriage of this Spalding woman I might ask the departmental counsel. I have asked the departmental counsel and he has never heard about any such marriage.

Mr. Fulton: Mr. Speaker, the minister raises a question of privilege but I hope he has the information that his department retained counsel in Vancouver who lost the case in the supreme court and in the appeal court. They have been in touch with the solicitors for this lady and, as I am informed, are in possession of the facts. It was in that sense that I referred to the departmental counsel, the same counsel who wrote the letters to which I referred earlier today.

Mr. Pickersgill: May I say, also on a question of privilege, that if the lady's solicitors did not provide material information to the department that was of interest to her case, I think perhaps she ought to get some new solicitors.

Mr. Fleming: Or the government should get a new minister.

Mr. Speaker: Order. May I rise on a question of privilege? I think that hon. members should remind themselves that a question of privilege is one that ought rarely to come up in parliament. It is depreciating what is meant by a question of privilege if, under the guise of a question of privilege, there occurs a debate at this juncture of our proceedings. I think that hon. members could pursue the point when the estimates of the Department of Citizenship and Immigration are before the house.

Mr. Fulton: Is a slur, not only on the name of the lady but on her solicitors, to be allowed —an entirely unwarranted slur? I submit that that sort of thing should not be allowed to happen. When the minister is guilty of that sort of conduct, it calls for a reply under the rules. The fact of the matter is that the marriage took place after the application was made—

Mr. Speaker: Does the hon. member contend that if a member, using his immunity in debate in this house, makes a slur on a company or person outside, someone must give him the rebuttal? If we were to have a question of privilege accepted for that purpose, we would have many in this house.

Mr. Fulton: I suggest to you, sir, that the minister should not abuse his immunity.

An hon. Member: Sit down.

COMMITTEE ON ESTIMATES

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. W. A. Tucker (Rosthern) presented the first report of the special committee on estimates, and moved that the report be concurred in.

Motion agreed to.

UNEMPLOYMENT INSURANCE

REFERRAL OF BUSHWORKERS TO EMPLOYMENT IN LOGGING CAMPS

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): A few days ago I stated in this house that I had asked the unemployment insurance commission to look into complaints concerning the referral of Quebec and New Brunswick bushworkers to employment in logging camps. This survey has now been carried out, and I have received a statement from the unemployment insurance commission, which I should like to summarize as follows.

Under the Unemployment Insurance Act the commission has an obligation to refer workers to suitable employment when such is available and, when no suitable employment is available, to pay benefits to those workers who are eligible. It also has an obligation to find suitable workers for employers.

The commission's offices in the provinces of Quebec and New Brunswick received orders for a substantial number of bushworkers and had a considerable number of unplaced applicants on their files who were qualified to fill the orders. Accordingly, these jobs were offered to those applicants. Where the employment was considered as appearing to be suitable, and when it was refused by an applicant who was a claimant, benefit was suspended pending decision by an insurance officer.

Adjudication by insurance officers is being made and suitability of the employment determined on the following bases:

(1) The rate of wages offered must be that prevailing in the area in which the employment is to be performed and not less than that offered by good employers in that area.

(2) When a job away from home is offered to a bushworker who is a claimant, the minimum duration of the employment must

be such as would enable him to earn at least ten times the amount of transportation expenses involved.

The pattern of employment followed by these persons is such that they habitually work away from home in the lumbering and logging industry. This is taken into consideration by the insurance officer, as also is the length of time he has been unemployed, special domestic circumstances, and the opportunities for employment in his home area.

Although the rates of pay offered would appear to conform to the requirements I have mentioned, nevertheless all of the suspensions of benefit already imposed will be reviewed in the light of these principles and, if the employment is found to be unsuitable, benefit will be restored in full.

[*Later:*]

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Labour in connection with the statement he has just made. What steps does the unemployment insurance commission take to ensure that the employment offered is going to be ten times the amount of the fare, if I heard the minister correctly, and what jurisdiction has the commission to see that that condition is carried out?

Hon. Milton F. Gregg (Minister of Labour): The unemployment insurance commission has complete and full jurisdiction over the local employment offices. Moreover, if a claimant is not satisfied with an insurance officer's decision he may appeal to a board of referees which is a body independent of the commission and comprising a chairman, a representative of labour and a representative of employers. Should the claimant still be dissatisfied he may, under certain circumstances, appeal further to the umpire who is the final authority under the Unemployment Insurance Act.

Mr. Balcer: I should like to ask the minister a question. Have any refunds been made to any of these claimants since the question was brought up in the house?

Mr. Gregg: I covered that in my statement. If these principles that I have mentioned have not been fulfilled, then payments of benefit will be made in full.

Mr. Balcer: Can the minister tell us if any actual refunds were made? The minister says this is going to be the policy, but have any refunds been made?

[Mr. Gregg.]

Mr. Gregg: I cannot say at the moment whether or not they have been made.

Mrs. Fairclough: Did the minister's statement assert that the rate of wages paid was that prevailing in the locality of employment or that prevailing in the locality in which the man was domiciled and was registered with the unemployment insurance commission?

Mr. Gregg: Perhaps I had better read that again so there will be no mistake. That was No. 1 of the two points. The rate of wages offered must be that prevailing in the area in which the employment is to be performed and not less than that offered by good employers in that area.

REPORTED TIE-UP IN CAMPBELLTON AND EDMUNDSTON OFFICES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Will the Minister of Labour please inform the house why information is not available to show how many of the 7,106 cases referred to the Moncton regional office by the Campbellton and Edmundston offices were delayed for more than two weeks?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I will read my hon. friend's question and if possible bring forward a reply.

CANADIAN BROADCASTING CORPORATION

REFERENCE TO FORTHCOMING RADIO PROGRAM ON LIFE OF JOSEPH HOWE

On the orders of the day:

Mr. G. T. Purdy (Colchester-Hants): Mr. Speaker, I have a question of privilege. At confederation Hants county, Nova Scotia, now part of Colchester-Hants, was a separate constituency. The first member elected was Joseph Howe. On Wednesday, March 21, at eight p.m., and again on the 28th at the same hour, the C.B.C. will carry over its trans-Canada network a two-hour program—

Mr. Speaker: Order.

Mr. Purdy: —on the life and times of this great Nova Scotian.

Mr. Speaker: This is not a question of privilege.

FINANCE

INQUIRY AS TO REMOVAL OF SALES TAX ON SEMEN

On the orders of the day:

Mr. L. E. Cardiff (Huron): I should like to direct a question to the Minister of Finance

or the Minister of Agriculture. Is any consideration being given to the removal of the sales tax on semen which is extensively used by farmers and breeding associations for the improvement of stock?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, may I say with all respect that this is the type of question the Minister of Finance would prefer not to answer until after the budget.

EXTERNAL AFFAIRS

INQUIRY AS TO OPERATIONS OF CANADIAN BREWERY IN UNITED STATES

On the orders of the day:

Mr. H. A. Hosking (Wellington South): I wish to address a question to the Secretary of State for External Affairs. As a result of reports that have appeared in the press stating that a certain brewery owned by Canadian capital is not being permitted to operate in four separate states of the United States, has the minister made representations to the United States government complaining about this practice? Would he tell the house whether it is the nature of the industry that makes it objectionable or whether it is because it is a Canadian-owned company?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was good enough to give me notice of his question before I came into the house. I can say to him and to the house that information was received some days ago that efforts were being made in certain states of the United States to enact legislation which would discriminate against and, indeed, would put out of business, if the legislation were in operation, brewing companies in which the controlling interest was held by persons not citizens of the United States of America. In this case, in effect, that meant Canadians.

As soon as we heard of this proposed action on the part of certain legislatures in the United States we conveyed our concern to the United States government over the undesirable consequences that would follow legislation of this kind if it were put into effect. That concern, Mr. Speaker, is based wholly on the principle involved and not merely on the situation of any particular industry. The United States authorities have already informed us that they share this concern and I understand they have been in touch with the states involved. It is therefore hoped that no further and formal action on our part will be required.

INVITATION TO PRIME MINISTER NEHRU TO VISIT CANADA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to address a question to the Secretary of State for External Affairs. In view of the report on the Canadian Broadcasting Corporation news this morning that the government of the United States has invited Prime Minister Nehru of India to visit that country, does the government of Canada also intend to invite Prime Minister Nehru to visit Canada at the same time?

Hon. L. B. Pearson (Secretary of State for External Affairs): At the request of the Prime Minister (Mr. St. Laurent) some time ago when I was in New Delhi I conveyed to Mr. Nehru a very warm invitation on behalf of the government for the Prime Minister of India to include Canada in any visit he would be making to the United States. Mr. Nehru at that time said he hoped to visit Canada before long but he was unable to give us any definite reply at that time.

MEETING OF PRIME MINISTER WITH PRESIDENT EISENHOWER—SUBJECTS TO BE DISCUSSED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Is the Prime Minister now in a position to tell the house what subjects will be discussed when he and President Cortines meet with President Eisenhower at White Sulphur Springs on March 26?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I am not in a position to do that. I have been informed by the Department of the Secretary of State that there would be no predetermined agenda for our meeting.

Mr. Knowles: May I ask a supplementary question? Can the Prime Minister say whether any of his cabinet colleagues will accompany him on this trip?

Mr. St. Laurent (Quebec East): The Secretary of State for External Affairs will be with me on that occasion.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO AMENDMENTS TO ACT THIS SESSION

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister inform the house when he expects to bring

before the house the amendments to the Prairie Farm Assistance Act and what they will cover?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, hon. members will recall that we made rather material amendments to the Prairie Farm Assistance Act last session. When we were preparing legislation for this session or the items upon which legislation might be required, we were having considerable difficulty in the administration of the amendments which were made last year. We therefore made provision for the possibility of bringing in amending legislation. However, I am now informed that, with greater experience in the administration, the difficulties have become less and less, and I am not sure that it will be necessary to bring down legislation.

FLOODS

THAMES RIVER—FEDERAL ASSISTANCE IN CONTROL AND CONSERVATION PROJECTS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to address a question to the Minister of Northern Affairs and National Resources. Because of the recent severe flooding in the area of the Thames river in southern Ontario, would the minister consider including in his supplementary estimates a provision for the federal government's share of the amount required to complete the works projected for flood control and water conservation of the upper Thames river conservation authority?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): The matter is still under consideration, Mr. Speaker.

TRADE

CANADA-UNITED STATES—SUGGESTED DEVALUATION OF CANADIAN DOLLAR

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. I apologize for not having given him notice. In view of our increasing trade deficit with the United States, has the government given any consideration recently to the advisability, or otherwise, of devaluating the Canadian dollar in an effort to alleviate the situation?

Hon. W. E. Harris (Minister of Finance): Quite obviously, Mr. Speaker, if any such action were contemplated I would not announce it until such action were taken. But I think, sir, we ought to believe that at all times the government is giving careful consideration to any action that would be of assistance in maintaining good trade relations and good balance of payments.

My recollection is that the balance of gold and dollars now in our hands is not any more than slightly different from what it has been for some time; therefore, I do not share the apparent alarm of my hon. friend.

Mr. Macdonnell: Mr. Speaker, may I ask a supplementary question? Is the implication of the minister's answer just given that the government is fixing the value of the Canadian dollar from day to day on the market?

Mr. Harris: I do not know what implication may be read into the question, Mr. Speaker, but no implication can be taken from my statement.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SUGGESTED EDUCATION OF INDIANS BY PROVINCE OF ONTARIO

On the orders of the day:

Mr. J. E. Brown (Brantford): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. Would the minister care to comment on a question raised in the legislature of Ontario regarding the education of Indians being assumed by the province, and the answer given there by the minister of education?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I noticed the report that a question had been asked or raised in the Ontario legislature by Mr. Nixon, and the reply by the minister of education. The implication of the reply was that Ontario might be prepared to take over the education of Indians in that province on the basis of reimbursement by the federal authorities. Because that is precisely in line with the policy we have been working toward in the Indian affairs branch for some considerable time, I did get the authority of my colleagues today to send the following telegram to the minister of education of Ontario, and perhaps I might be permitted to read it.

Mr. Speaker: The minister in reply said the implication of the statement was so and so, but we do not know what the statement was. He is about to read a telegram which is in direct relation to the statement. I think in fairness we ought to have first the statement made.

Mr. Pickersgill: I was attempting to avoid repetition. If I read the telegram it will be seen that the statement is in it. The telegram reads:

Hon. W. J. Dunlop, M.L.A.,
Minister of Education,
Toronto, Ontario

I have seen the report of the statement you made in the legislature yesterday to the effect that the provincial government would be ready to assume responsibility for the education of Indians on the basis of reimbursement by the federal government. I am authorized by my colleagues to communicate with you with the view to discussing this suggestion at an early date. Could you let me know if you would be prepared to discuss it and what might be a convenient date.

The telegram is signed by me.

Mr. Fulton: May I ask the minister a supplementary question? Would the implementation of such a proposal, if agreement were to be arrived at, necessitate an amendment to the Indian Act?

Mr. Pickersgill: No, sir, I understand not.

[*Later:*]

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I would like to direct a supplementary question to the Minister of Citizenship and Immigration arising out of his answer to the question asked by the hon. member for Brantford (Mr. Brown). I take it that the same offer would apply to any other province that so requested?

Mr. Pickersgill: Mr. Speaker, I do not think there is any question of any offer. I am sure the government would be prepared to enter into discussion with the government of any province which wished to consider taking over the education of Indians on some reasonable basis conforming to the Indian Act and the rights of Indians under the act.

ADMINISTRATION OF JUSTICE

CLIFFORD WILLIAMS—REQUEST FOR INTERVENTION BY PRIME MINISTER

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to address a question to the Prime Minister in the form of an appeal in connection with the Williams case to which reference was made yesterday. Would the Prime Minister, in his capacity as Prime Minister, be prepared to look into that case in order to assure that if an injustice has been done—and that seems apparent—equity should not be denied because of the decision of the—

Mr. Speaker: Would the hon. member for Prince Albert contend that his question is one which is trying to get information? He is asking the Prime Minister to take a certain action; he is not asking for information.

Mr. Diefenbaker: Mr. Speaker, I cannot ask for information without putting it before the Prime Minister. I cannot ask a hypothetical question about a non-existent state of affairs.

Mr. Speaker: I quite realize that the hon. member cannot ask the Prime Minister to take a certain action unless he tells him what action he would like him to take. That is not the purpose of a question before the orders of the day. The hon. member for Comox-Alberni.

Mr. Diefenbaker: The purpose of the question is to ask the Prime Minister whether he will look into the case.

Mr. Speaker: This can be dealt with later on when the estimates of the Department of Justice are before the committee.

Mr. Diefenbaker: The man is in jail for 28 years.

Mr. Speaker: The hon. member for Comox-Alberni.

Mr. Diefenbaker: On a question of privilege—and there have been several today—does Your Honour rule that a member of this house, on a matter concerning justice and equity, shall not be permitted to ask the attitude of the Prime Minister? That is all I want to know.

Mr. Speaker: I am not here to decide questions of equity; I am here to decide questions of order. May I make a request of hon. members, and my request applies to members of all parties. Whenever I intervene on a point of order would hon. members please refrain from applauding whether what I say pleases them or not?

The matter was raised in the first place by a starred question put on the order paper by the hon. member for Kamloops—it is the Clifford Williams case, is it not?

Mr. Fulton: That is right.

Mr. Diefenbaker: That is what we are talking about.

Mr. Speaker: It appears at pages 2120 and 2121 of *Hansard*. The Minister of Justice answered at considerable length the question put by the hon. member for Kamloops. Later on, before the orders of the day were called, questions were asked on the very same subject with the intention of clarifying the answer. Replies were given by the Minister of Justice, and the question the hon. member is asking today was asked of the Minister of Justice yesterday.

Mr. Diefenbaker: Oh, no.

Mr. Speaker: The hon. member says no. They even went so far as to ask him whether the government would be prepared to do the same thing in this case as was done in the Coffin case. Today the hon. member comes back to the same point and asks the Prime Minister whether he will look into this case again and take the action which he himself suggests now. The purpose of a question is to ask for information and not to give some. The hon. member is asking whether the Prime Minister will look into this case and take action, and then he goes on to suggest the action.

Mr. Diefenbaker: No.

Mr. Speaker: Yes. Of course, we are in this position at the moment. Whenever a dispute arises between an hon. member and the Speaker we do not have a copy of *Hansard* until the next day. Would the hon. member be good enough to wait until tomorrow in order to check *Hansard*, and then we can pursue the point? If he is right, I will allow him to do whatever he wishes within the rules, and if I am wrong I shall gladly apologize, and we can carry on from there.

BRITISH COLUMBIA

REQUEST FOR COMMEMORATIVE DOLLAR ON OCCASION OF CENTENARY CELEBRATION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Finance. I have not given him notice either, but I hope he will find it a little easier than some of the other questions that were asked recently.

Has the minister given consideration to the minting of a special commemorative silver dollar in connection with the 1958 centenary celebration in the province of British Columbia?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, representations have been made by various organizations in British Columbia, and by my colleagues the Minister of National Defence and the Minister of Fisheries, and other members on this side of the house, asking for the striking of a commemorative silver dollar with respect to the occasion on which gold was found in British Columbia, I think, in 1858. Consideration has been given to the representations but no decision has been reached yet by the government.

[*Later:*]

Mr. Roland Michener (St. Paul's): Mr. Speaker, I should like to direct a question to the Minister of Finance supplementary to the silver dollar question. Would the minister take into consideration the advisability of striking a gold coin as being more appropriate to celebrate the discovery of gold 100 years ago?

Mr. Martin: That is the $64 question.

HEALTH INSURANCE

INQUIRY AS TO MAINTENANCE OF GOVERNMENT POLICY

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I would like to direct a question to the Prime Minister. Is it the intention of the government to continue its determined stand that no national health program will be put into effect until such time as six provinces, representing over one-half of Canada's population, have approved the agreement, or would it consider modification of this plan to set it in operation upon the approval of any one province?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker. The policy that was expressed to the conference with provincial ministers was that if and when a majority of the provinces, representing a majority of the population of Canada, wished to put into effect some scheme of hospital and diagnostic services insurance the federal government would be prepared to extend technical and financial assistance in implementing the policy.

HEALTH AND WELFARE

DR. JAMIESON—STATEMENT RESPECTING TRANSFER TO PRINCE ALBERT

On the orders of the day:

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. member for Selkirk (Mr. Bryce) asked me a question three days ago with regard to the decision to transfer the services of the director of the hospital at Norway House. I have already discussed this matter with the hon. gentleman and in addition I would say that his services are needed at another hospital.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the constitution of the corporation to

be known as the Northern Ontario Pipe Line Crown Corporation for the purposes, *inter alia*, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario and of leasing, with an option to purchase, the said natural gas pipe line to the Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of the said pipe line in connection with such purchase option;

To provide also that the corporation may do such things as are conducive to the attainment of these purposes, that it may borrow money, the aggregate of the amounts borrowed by the corporation and outstanding at any time and the aggregate of the amounts loaned by the Minister of Finance and outstanding at any time not to exceed one hundred and thirty million dollars;

To provide further for the appointment and remuneration of directors, officers and employees incidental to the administration of the act.

Mr. Speaker: Is it the pleasure of the house to adopt the motion? Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. Call in the members.

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

YEAS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Arsenault
Ashbourne
Balcer
Balcom
Batten
Beaudry
Bell
Benidickson
Bennett
Bertrand
Blackmore
Blair
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardiff
Cardin
Caron
Carrick
Cavers
Charlton
Churchill
Clark
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Diefenbaker
Drew
Dupuis
Eudes
Fairclough, Mrs.
Fairey
Fleming
Follwell
Fontaine
Forgie
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Gagnon
Gardiner
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Green
Gregg
Habel
Hahn
Hamilton (Notre Dame de Grace)
Hanna
Hansell
Hardie
Harkness
Harris
Healy
Hees
Hellyer
Henderson
Henry
Hodgson
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Howe (Wellington-Huron)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lennard
Lesage
Lusby
Macdonnell
MacDougall
MacEachen
MacKenzie
McCann
McCubbin
McCulloch (Pictou)
McGregor
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Martin
Menard
Meunier
Michaud
Michener
Mitchell (London)
Mitchell (Sudbury)
Monette
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nesbitt
Nixon
Nowlan
Pallett
Patterson
Pearkes
Pearson
Perron
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Bruce)
Robinson (Simcoe East)
Rochefort
Rouleau
Rowe
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Shipley, Mrs.
Simmons
Sinclair
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stick
Stuart (Charlotte)
Studer
Thatcher
Thomas
Trainor
Tucker
Tustin
Van Horne
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Hastings-Frontenac)
White (Middlesex East)
White (Waterloo South)
Wylie
Yuill—199.

NAYS

Messrs:

Argue
Barnett
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Coldwell
Ellis
Gillis
Herridge
Johnson (Kindersley)
Jones
Knight

Northern Ontario Pipe Line Corporation

Knowles	Noseworthy
McCullough (Moose Mountain)	Regier
Nicholson	Zaplitny—20.

The house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Howe (Port Arthur): Mr. Chairman, this bill provides for the formation of a crown corporation to build the northern Ontario section of an all-Canadian natural gas pipe line. Its purpose is to hasten the day when Alberta will have an adequate outlet for its surplus gas, and the day when the cities, towns and industries of Saskatchewan, Manitoba, Ontario and Quebec within economic range will have access to this highly efficient fuel.

Many hon. members may hold the view that this pipe-line project involves only the procuring and laying in place of a large diameter pipe extending from a point in Alberta to a point near Montreal. Such a project is in itself no small undertaking, since it involves an estimated cost of $375 million. However, this is but part of the pipe-line project. In the province of Alberta, gas wells must be drilled to reservoirs of gas already proven in order to make that gas deliverable; chemical plants must be built to remove from the gas sulphur and wet components, such as butane and propane, for gas entering the pipe line must be dry gas; gathering lines must be laid in Alberta to collect the gas from the various fields and convey it to the western end of the trans-Canada pipe. Premier Manning has estimated that expenditures in Alberta, necessary to initiate the pipe-line project, will total $250 million. These are problems for private enterprise and for the provincial government of Alberta, for which this parliament need take no responsibility.

Then, customers for the gas must be found, which involves expensive distribution systems in a large number of cities, and a sales program to induce private domestic users and private industries to change over to natural gas. The build-up of customer loads must inevitably involve a considerable time element, which is being shortened by a temporary purchase of gas from the United States, that is enabling load building to begin without delay. Involved in the customer build-up is the manufacture and sale of apparatus for using gas. Altogether, this is a project involving expenditures in Canada totalling over one billion dollars.

Some hon. members may say that if the main pipe were to be built, the producers would eventually develop their properties and connect them to the pipe line. The same hon. members may say that the consumer load will eventually grow to a level that will make the pipe-line operation cover current expenses. However, the fact remains that until a certain quantity of deliverable gas can be assured and until the required quantity of consumption can be guaranteed it is impossible to finance the main pipe in a manner satisfactory either to private enterprise or to this parliament.

Hon. members may question why it is desirable to market certain quantities of gas from the pipe line into the United States. The reasons are twofold: first, that markets are required for more Alberta gas than eastern Canada is ever likely to consume, and second, there is available in the United States an immediate consumer load. Sales to the United States would therefore encourage exploration and development in Alberta and spread the cost of the transmission system over a larger volume of gas. Apart from these two considerations, United States markets are not essential to the project. I would, however, point out that when Premier Manning first brought the project to our Prime Minister he made it a condition that a market in the United States be arranged, in addition to markets in eastern Canada. Producers in Alberta desire to have this additional market as a means of taking care of the growth of the gas industry in Alberta, and this government can have no objection to a limited market in that country for gas in excess of the foreseeable needs of Canada.

Hon. members will recall that in 1951 parliament enacted the original statute incorporating Trans-Canada Pipe Lines Limited. The original sponsors of this project believed that a pipe line designed to serve the Canadian market only was economically feasible and the statute of incorporation restricted the company to activity within Canada. Through the merger of the original Trans-Canada Pipe Lines Limited with Western Pipe Lines Limited in early 1954, the plan was broadened to include a substantial export of gas at Emerson, Manitoba, which was possible under the Western Pipe Lines charter. Such export has been approved by this government with the proviso that Ontario and Quebec must be served as nearly as possible concurrently with any such export, and the company proceeded to try to arrange gas purchase and sales contracts and financing for its construction program on this basis.

In early 1955 Trans-Canada advised the government that, due to the lack of progress in obtaining gas purchase and sales contracts in Canada, construction of the first stage of the line in 1955 could not be financed unless a temporary guarantee of annual debt service on the first mortgage bonds could be arranged. The assistance requested was a deficiency

agreement under which the government would undertake to meet any payments due on the first mortgage bonds that the company was unable to provide out of its depreciation and earnings.

After negotiations with the government of Canada and the industrial development bank, the company announced on March 17, 1955, that it had been unable to negotiate a type of financial assistance which did not result in an agency of the government of Canada being in a position to control the company, and that such an arrangement made it impossible for the company to purchase its gas requirements.

Following these negotiations Trans-Canada applied to the natural gas conservation board of Alberta and to the Board of Transport Commissioners for Canada for extensions of the permits from each body until April 30, 1956. Both extensions were granted.

Over the following months the company worked out a series of arrangements with Tennessee Gas Transmission Company which provide for the export of 200 million cubic feet of gas daily at Emerson for 25 years, the export of a further 100 million cubic feet daily near Niagara Falls, reducible to no export at Trans-Canada's option, and the import near Niagara Falls of up to 90 million cubic feet daily for the period until Alberta gas is available in central Canada. These arrangements, which are of course subject to the approval of the United States federal power commission, at once greatly improve the market position for Trans-Canada from the outset, and permit a more rapid build-up of the central Canadian market than might otherwise be possible. The company has also pressed forward with other sales contracts, notably for the Montreal and Toronto areas but also in the other areas within reach of the proposed pipe line.

Recently Trans-Canada has completed gas purchase contracts with the Canadian Gulf Oil Company and other suppliers for approximately the full amount of the 4·35 trillion cubic feet presently authorized for removal by Trans-Canada from Alberta.

On February 15 Trans-Canada announced that two of western Canada's largest oil and gas producing companies had bought substantial sponsoring interests in Trans-Canada. These companies, Canadian Gulf Oil and Hudson's Bay Oil and Gas, have increased their holdings to 17 per cent each of the founders' shares of the company. Tennessee Gas Transmission Company, which came into the project last November, now also holds 17 per cent of the founders' shares. To make these arrangements possible, the original sponsors, Canadian Delhi Oil Limited and the Western Pipe Lines group, have each reduced their share holdings to 24½ per cent of the total outstanding. Representatives of Tennessee, Canadian Gulf and Hudson's Bay were at the same time added to the board of directors and the management committee of Trans-Canada.

For the purpose of overcoming the difficulties of establishing this longest pipe line in the world, this new management group is a very strong one indeed. The Canadian Delhi group, which first envisaged the all-Canadian line as a practicable project, has been a leading company in proving up the necessary gas reserves. The Western Pipe Lines group brings to the project experience in the development under Canadian conditions of gas utilities and related enterprises. Canadian Gulf and Hudson's Bay bring to it a continent-wide experience in the development of petroleum resources. Tennessee, one of the largest gas transmission organizations in the world, brings resources of personnel, experience and financial strength which are almost unparallelled in this industry.

These sponsors are further strengthened by a board of directors widely representative of Canadian experience in development ventures. Of the 18 directors 11 are Canadians. Their names will be known to most hon. members: Hon. Edouard Asselin, Q.C., Montreal; E. W. Bickle, Toronto; Hon. G. Peter Campbell, Toronto; J. K. McCausland, Toronto; M. A. MacPherson, Q.C., Regina; H. R. Milner, Q.C., Edmonton; A. Deane Nesbitt, Montreal; Gordon P. Osler, Winnipeg; N. E. Tanner, Calgary; Jules R. Timmins, Montreal; J. Ross Tolmie, Q.C., Ottawa. The president is Mr. Tanner, whom of course you know as a former minister of mines in the government of Alberta; Ray Milner is a vice-president and Deane Nesbitt is secretary-treasurer.

The strength of this management group is self-evident. What apparently is not evident, to judge by press comment, is that control of the company is open to Canadians. I wish to put an end to misunderstanding on this point.

I have been in pretty close touch with those who have sponsored this project for the last six years. They have never had any reason to expect any sympathy from this government unless they were prepared to meet the national policy of serving the Canadian market first and unless they were prepared to share ownership and management with Canadians. From the outset the sponsors of Trans-Canada have agreed with that point of view. All the present participants have reconfirmed, in the shareholders' agreement dated February 13 which I tabled on February 20, their agreement that at the time of public financing, the Canadian public will be offered not

less than 51 per cent of the total number of voting shares to be outstanding after public financing.

The group of sponsoring companies I have described has, under this latest agreement, rights to something less than two million common shares. It is to this total that the percentage distribution I have given applies. When public financing is undertaken, two things will follow from this agreement. First, under option arrangements which form part of the agreement, Canadian Delhi and the western group can increase their holdings from 24½ per cent each to 27½ per cent each of the founders' shares, while Tennessee, Canadian Gulf and Hudson's Bay reduce their holdings of such shares from 17 per cent to 15 per cent each. Second, an additional issue of something over four million shares is to be sold on the open market, under conditions which will make available to Canadians not less than 51 per cent of the total of about six million common shares.

This offer has, to my surprise, been met with criticism, even derision, on the ground that it provides no guarantee that Canadians will buy the stock. Of course there is no such guarantee. Short of public ownership which, for reasons I shall discuss later, appears to be a second best approach to this matter, I know of no means by which control by Canadians could be guaranteed.

We have always welcomed United States capital to share in the development of the resources of this country. It may be, as some of our leading bankers have suggested in recent weeks, that Canadians shy away from venturing their own capital in the development of their own resources. One can think of cases in which, having supplied a large share of the initial capital for a resource development project, Canadians have sold their equities at the first opportunity of profit, with the result that those equities have moved into the hands of United States citizens.

If there is some uneasiness in this country about the extent and nature of United States investment in Canada, this is the wrong place to focus it. Trans-Canada is no doubt imperfect, as are we all, but its willingness to share its venture with Canadians is not in question. Considering that the inspiration has come, and much of the technical knowledge and skill must come, and much of the loan capital probably will come from the United States, the extent of participation to be offered to Canadians requires no apology from Trans-Canada. Rather it offers to other industries which have equally strong connections beyond our borders, and which for some reason have not been subjected to this same criticism, a model which they might well study.

I return now to the position of the government in relation to the pipe-line project. Most of the pipe-line construction proposals put forward from time to time were based on the premise that the natural market for Alberta gas is in the nearby United States. The requirement that Canadian markets so far as possible be first provided for is a requirement of national policy. If any disability were placed upon the development of the gas industry by this national policy, it would be proper that this disability be if possible counterbalanced. The developments which I have outlined made it clear that private enterprise alone faced serious difficulty in financing a pipe line stretching across the sparsely populated areas of northern Ontario, a line from which relatively low returns on investment must be expected during the period of building up the central Canadian market. Some kind and degree of public intervention appeared necessary and proper.

Once again, as in the days of railway building, the difficult and sparsely populated pre-Cambrian shield appeared to present an almost insuperable barrier to economic transportation between western and central Canada. Once again, this special problem of Canadian geography has called forth a unique solution. The government is convinced that the solution now offered has a better chance of working than has any alternative solution that has yet been suggested.

First, let me comment on these other proposed solutions. The one about which I have heard most is generally called the exchange plan. Its essential argument is that Canadian gas should flow into United States markets where it can best compete, and Canadian markets be served by United States gas. This has the attraction of appearing to be the most economical arrangement. What it lacks is precisely one fundamental point on which Canadian gas policy must be based. Gas and electricity, unlike oil, are committed permanently, once they are committed at all. No Canadian government can properly commit gas to export until Canadian requirements are provided for. No government of the United States can properly commit United States gas to a Canadian market until the needs of United States citizens within economic range of that gas have been provided for. So long as Canada remains a sovereign nation, these are the facts of life for every energy resource of which a continuous supply is essential to the nation's well-being.

Our friends to the south are no more anxious to infringe on our sovereignty than

we are to infringe upon any aspect of their sovereignty, even for an apparent economic advantage. This is a further weakness in the so-called exchange plan. Its proponents seem to take it for granted that our good friends to the south would enter readily upon such a plan, which in the nature of gas transportation would have to be firmly committed on both sides for at least 20 years. All the evidence suggests that the responsible United States authorities feel as we do, that dependence upon foreign supplies can be accepted only cautiously and to a limited extent, and that commitments of gas to foreign markets can be entered into only in so far as the gas is clearly surplus to domestic requirements. In these circumstances, to assume that an unlimited gas market is available in the United States to Canadian producers, or that if it exists it can be made available more quickly than a comparable Canadian market, is no better than wishful thinking.

Public ownership of the whole all-Canadian line was, of course, advocated by some, and still is. I am not opposed to public ownership as a matter of principle. Neither is this government. There are circumstances in which public ownership is right and proper. But this government does not believe—as do some of our socialist friends—that public ownership is, as a general rule, preferable to private enterprise.

As far as a transcontinental gas pipe line is concerned, I believe that the arguments are all in favour of private ownership. Gas is only one among several competing fuels and sources of energy. It is not a monopoly. Nor do I think that it would be in the public interest for any government to subsidize the transmission of gas, providing unfair competition to coal and oil producers.

To me, therefore, public ownership of the all-Canadian line is definitely a second best. It is a second best rendered even less attractive by the difficulty which would be faced by any government operating a gas transmission and sales system: the difficulty of arbitrating between the competing claims of the producer for maximum field price and the consumer for minimum retail price. These are the reasons why the government has sought some reasonable proposal to lay before parliament which would bring about the early building of a privately operated and privately owned transcontinental gas transmission system, and which would contain the necessary safeguards to the public interest and the public treasury.

Such a reasonable proposal has now been brought forward by Trans-Canada Pipe Lines Limited. This government is sufficiently impressed by its merits and prospects of success that it is prepared, subject to the approval of parliament, to enter into the construction and temporary ownership of a portion of the proposed pipe line.

This government and the government of Ontario have kept in close touch about developments respecting gas for several years. When Trans-Canada brought forward the proposal which has resulted in this legislation being placed before you, we proposed to the government of Ontario that the two governments join in carrying the proposal forward.

At the opening of this session of parliament I tabled a copy of the agreement between the government of Canada and Trans-Canada Pipe Lines Limited dated November 21, 1955, and of the concurrent exchange of letters between the governments of Canada and Ontario. These documents embody the arrangements that the government is now seeking to implement by the present bill.

As hon. members are no doubt aware, the Ontario government has already placed before the legislature of Ontario the bill to enable it to participate. This bill is entitled:

> An act to facilitate the introduction into Ontario of natural gas from Alberta by means of an all-Canada pipe line.

The bill is a short one. It reads:

> Whereas the transportation of natural gas from Alberta to central Canada is a vital necessity to supplement the energy resources available for the continued industrial growth of Ontario;
>
> And whereas the carriage of such gas through a pipe line situated entirely within the jurisdiction of Canada and running across northern Ontario is in the public interest of Ontario;
>
> Therefore, Her Majesty, by and with the advice and consent of the legislative assembly of the province of Ontario, enacts as follows:
>
> 1. For the purpose of implementing the arrangements made or to be made between the government of Canada and the government of Ontario to facilitate the construction of a connecting link through northern Ontario of a pipe line to transport natural gas from Alberta into central Ontario, the treasurer of Ontario is hereby authorized to loan from time to time out of the consolidated revenue fund any sum of money, but not more than $35,000,000, to a corporation constituted or to be constituted on behalf of Her Majesty in right of Canada and having as a purpose the construction aforesaid.
>
> 2. This act comes into force on the day it receives royal assent.
>
> 3. This act may be cited as the northern Ontario pipe line act, 1956.

Those of you who have read the statements of Mr. Frost and Mr. Porter in presenting this bill will know that the government of Ontario has studied this matter independently, and with the benefit of disinterested professional advice. They will know that the government of Ontario has considered the same alternative courses of action that occurred to us, and has rejected them for substantially the

same reasons. They will know, and this I draw to the particular attention of all hon. members, that the legislature of Ontario approved this bill, not merely by a majority, but unanimously.

In the agreement between this government and Trans-Canada, the government undertook to recommend to parliament the formation of a crown company to build and own a 675 mile section of the all-Canadian line between the Manitoba-Ontario boundary and Kapuskasing. The legislation now before you carries out that undertaking. The northern Ontario section, when built, will be leased to Trans-Canada for a maximum term of 25 years.

Under the terms of the lease, Trans-Canada will pay all operating and maintenance expenses, including repairs, replacement, insurance, damage claims, and so forth, of the northern Ontario section, plus rental payments on a monthly and annual basis.

Trans-Canada will undertake to purchase the northern Ontario section as soon as it can arrange the necessary finances. The agreement gives a strong incentive to Trans-Canada to do so in a relatively short time.

The crown corporation undertakes to make additions of integral parts of the northern Ontario section, such as increased compression facilities to meet additional gas requirements, but is not required to build any additional pipe line or any sales laterals. The northern Ontario section will be designed for an initial capacity of 300 million cubic feet of gas per day and an ultimate capacity of 530 million cubic feet per day without looping.

The rental formula included in the agreement between the Canadian government and the Trans-Canada is designed to achieve the following results:

(1) to enable the crown corporation to recover not less than its full costs and investment during the term of the lease;

(2) to enable Trans-Canada to defer part of its rental payments on the northern Ontario section during the market buildup period in eastern Canada;

(3) to give the crown corporation a claim on net earnings of Trans-Canada if required to meet operating expenses, interest cost, and accumulated amortization, of the northern Ontario section;

(4) to give Trans-Canada a strong incentive to exercise its option to purchase the northern Ontario section within a relatively short period;

(5) to give the crown corporation a profit over and above expenses, interest costs, and amortization in the event that gas demand increases as expected and Trans-Canada does not exercise its option to purchase.

[Mr. Howe (Port Arthur).]

The rental payment to be made by Trans-Canada is in two parts. First is a monthly transportation charge on gas transmitted by the northern Ontario section. This transportation charge will be an amount which, if the line were operating at two-thirds of initial capacity, would return the crown corporation 4½ per cent per annum on its initial investment.

Once established, the throughput charge will remain fixed during the term of the lease regardless of subsequent increases in capacity. Since increases in capacity up to the physical maximum of 530 million cubic feet daily can be achieved by additional investments, small in relation to the initial investment, the throughput charge will result in returns substantially higher than 4½ per cent on invested capital, as the market for gas in eastern Canada expands.

From the outset, operating costs and interest charges will probably be covered by the basic rental, but there may be deficiencies in the revenue available for amortization in the early years of market buildup. To make up any deficiencies, the agreement provides that, commencing in the fourth year of the lease, and to the extent that the net revenues are available from the whole Trans-Canada operation, Trans-Canada will pay an additional annual rental of up to 1 per cent of the original cost of the northern Ontario section until total rental payments from the beginning of the lease equal 7 per cent per annum of the total capital cost plus interest at 3½ per cent per annum compounded annually on any deficiencies below 7 per cent carried forward.

The Chairman: Order. I am extremely sorry to interrupt the minister, but I am obliged to advise him that his time has expired.

Some hon. Members: Let him go on.

The Chairman: Has the minister unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Howe (Port Arthur): I must say I always thought a minister on introducing a bill was given sufficient time to make a statement.

Mr. Fulton: Your party insisted on putting in the rule.

Mr. Howe (Port Arthur): I was never very strong on rules.

Mr. Knowles: How well we know that!

Mr. Rowe: We have observed that already.

Mr. Howe (Port Arthur): This average return of 7 per cent is the amount necessary

to cover the crown corporation's operating and interest cost, and amortization of its investment in about 21 years.

Trans-Canada undertakes to purchase the northern Ontario section as soon as it can arrange the necessary finances, and has an option to purchase the section at any time, provided the crown corporation has received an annual return of 3½ per cent on its capital during the term of the lease. The purchase price is to be the total capital cost to the crown corporation, minus credits to depreciation arising from rental payments, but the purchase price is not to be less than the higher of either (a) total capital cost less amortization at 3½ per cent per annum plus interest thereon compounded at 3½ per cent annually; or (b) 70 per cent of the original capital cost. The rental payments described previously will result, as throughput grows, in payments which in due course will total more than interest plus the amortization at 3½ per cent to be credited to Trans-Canada in the purchase price. Any such excess payments will represent a profit to the crown corporation or an accelerated amortization of its assets. Apart from the undertaking to purchase, it will in these circumstances become in the interest of Trans-Canada to purchase the northern Ontario section, since it cannot otherwise receive any benefit from these excess payments. The 70 per cent floor will give a further incentive to Trans-Canada to purchase the northern Ontario section.

This, in the government's opinion, is a prudent arrangement. It bridges the gap in distance and time that has been at the root of one of the main difficulties in getting an all-Canadian gas pipe line financed and launched. It does so in a way that enables the governments concerned to recover all their investment plus interest without imposing any unnecessary charges that would reduce the return to the producer or raise the price to the consumer. It enables governments to avoid the problems inherent in ownership and operation of a pipe line, and offers the prospect of getting governments completely out of the business at any early stage.

In a sense the arrangement benefits the Trans-Canada Pipe Line Company. This is inescapable. But it does so only to the extent that it enables construction to get under way earlier than would otherwise have been the case. Once the pipe line is operating and the eastern Canadian market has been built up to the initial capacity of the eastern part of the line, the Trans-Canada Company must take over the northern Ontario section at a price which returns full cost and interest to the government, or pay the government a profit. There is no element of subsidy or hand-out to the private company.

It might be asked: Why doesn't the government just wait until private enterprise can build the whole line without any intervention by government? This was one of the alternatives. But the governments of Canada and Ontario believe that there is general support throughout the country and in this house for limited and prudent intervention by government if, as a result, the construction of this all-Canadian pipe line can be speeded up.

Under its contract with the government, Trans-Canada has until May 1 next to demonstrate to the satisfaction of government that it has arranged for finances and commitments to carry through its entire construction program. That date was of course related to the time limits of the permits held by Trans-Canada at the time the agreement was completed from the petroleum and natural gas conservation board of Alberta and the Board of Transport Commissioners for Canada. At that date also many of Trans-Canada's supply and sales contracts are to be reviewed. It is therefore an appropriate time for government to examine Trans-Canada's situation afresh.

It has now become clearly improbable that Trans-Canada will be able to complete its financing arrangements by May 1. Officers of the company expect, however, to arrange and carry out a substantial amount of construction this year under interim financing. I am hopeful that they will be successful in this. Their prospects in this regard will become clear by May 1.

Hon. members will have noted from the press that on February 24 the Alberta petroleum and natural gas conservation board granted an extension of the various dates on which its permit to Trans-Canada is conditioned. The date for completion of finances is extended from April 30, 1956, to November 1, 1956. The time limit for commencement of construction is extended from June 30, 1956, to June 30, 1957. The limit for commencing removal of gas from Alberta is extended from December 31, 1956, to December 31, 1957.

If the board of transport commissioners should also see fit to extend the time limits on its permit to Trans-Canada—a matter which is entirely the board's affair—then this government would feel justified in considering favourably a request by Trans-Canada for an appropriate amendment of the time limit on its agreement with Trans-Canada. Any such extension would depend upon the progress Trans-Canada could demonstrate towards construction and firm financing of the proposed system.

Northern Ontario Pipe Line Corporation

Naturally neither this government nor the government of Ontario would be prepared to enable the proposed crown corporation to proceed with any actual construction of the northern Ontario section until the requisite financing for the balance of the Trans-Canada system was assured and its construction program established.

I turn now to the bill itself. It is intended to enable the government to carry out the agreement with Trans-Canada Pipe Lines Limited dated November 21, 1955, and the agreement with the government of Ontario set forth in the exchange of letters between Mr. Porter and myself dated November 21 and 22, 1955. There is no exact precedent for such a crown corporation financed jointly by this government and the government of a province, and it has proven difficult if not impossible to set forth in legislation the respective responsibilities and prerogatives of the respective governments. I wish therefore to state clearly at the outset that, although the language of the bill is more general than the language of the agreements, the purpose of the legislation is to enable the intent and purpose of these specific agreements to be carried out.

As an example, the bill provides for the establishment of a corporation consisting of a president and four other directors to be appointed by the governor in council upon the recommendation of the minister. The agreement with Ontario provides that the government of Canada would be entitled to nominate one more director than the government of Ontario and also, from among these, to appoint the chairman or president. What would happen in fact is that the Minister of Trade and Commerce would recommend to the governor in council the appointment of five directors, of whom two would have been nominated by the government of Ontario.

Similarly, the borrowing powers of the corporation have been phrased broadly, but the intent is to enable the corporation to borrow not only from Her Majesty in right of Canada but also from Ontario in accordance with the agreement with Ontario.

Aside from this one feature of being phrased broadly enough to encompass joint action with a province, and aside of course from the fact that it establishes the first crown corporation to construct and own a pipe line, the bill follows familiar paths and breaks no new ground. It makes the usual provisions for by-laws and related procedural matters for staff, including staff borrowed from the civil service, for the legal position of the corporation as an agent of Her Majesty and for payments in lieu of local taxes. Its powers are the normal general powers of a company, together with those specific powers required to enable it to construct, lease, and sell the northern Ontario section, which is defined in the schedule to the bill. It is brought under the Pipe Lines Act, as if it were a private pipe line company, with the exception of two sections which would have imposed upon the corporation certain procedures which would have consumed time without conferring any benefit upon the public or the interested parties.

As regards financing, the borrowing powers are, as I have said, a little unusual in one necessary respect. The ceiling on the amount the corporation is authorized to borrow is established to cover the presently estimated cost of the initial pipe line facilities, together with an amount to permit an increase of compression facilities in case these should be required early in the corporation's operations, making allowance for some increase in cost in case the present estimates prove low in relation to costs prevailing at the time of construction. The corporation is brought under those parts of the Financial Administration Act which are appropriate to such a corporation; it must submit an annual budget and its accounts are subject to audit by the Auditor General.

In short, the bill proceeds by tested methods, drawn largely from existing legislation and we believe wholly reconciled with existing legislation, to achieve a somewhat unusual purpose, the joint participation by this government and that of Ontario in the construction and temporary ownership of a vital section of a natural gas pipe line system. What we are here proposing meets the requirements of our established policy. It is a vital link in a plan which would give central Canada the benefit of a secure source of additional energy, and would give Alberta gas producers the benefits both of the central Canadian market and of a market for surplus gas in the United States. We believe this temporary help to private enterprise will benefit both producers and consumers, and will contribute to the continued increase of Canadian productivity. In particular it will make a new and needed fuel source available to a vast area in northern Ontario which could not otherwise have enjoyed its benefits.

Let us not forget that this natural gas transportation and distribution system is by far the largest ever undertaken as a single project anywhere in the world. It is to be expected that time will be consumed and problems will be encountered in bringing the project to completion. Already a great deal of effort and large sums of money have been devoted to it. Passage of this bill will speed up final

arrangements. My own estimate of the time element is that Alberta gas will be delivered in Montreal not later than the autumn of 1958. I believe that this is a conservative estimate of the construction period, having regard to all possible delays.

Mr. Drew: Mr. Chairman, we supported the motion that the Speaker leave the chair, not because we approve of the motion now before the committee but because we wanted an opportunity before this committee to indicate why we think this resolution should be opposed.

Some hon. Members: Oh, oh.

Mr. Drew: In view of the comments from hon. members to my left I would point out that nothing is gained by the silly gesture they made this afternoon. After all, we have had very important debates here before—

Mr. Coldwell: I rise on a point of order; I do not think that any action which is proper under the rules of this house should be described by another member of the house as a silly gesture.

Mr. Knowles: Furthermore, it is out of order to reflect on a vote which has already been taken.

Mr. Drew: We have had important debates before and we will have other important debates.

Mr. Coldwell: May I ask the chairman for his ruling?

Mr. Drew: Mr. Chairman, I am quite ready to withdraw the word "silly" and say wholly ineffective.

Mr. Coldwell: That is a matter of opinion.

Mr. Drew: The procedure is one which permits us to place before this committee the reasons which we hope will commend themselves to hon. members to our left as well as to others, more than my comment just did. May I say that the reason I made the comment was the derisive laughter which came from that source which I think was out of keeping with the procedure of this house just as much as any suggestion as to the intervention that was made by way of motion.

I hope that we shall discuss this as one of the most important issues that has come before this house. I trust that as a result of the discussion which will take place here we may conceivably have some reconsideration of the government's position.

There has been no reason at any time for any uncertainty as to the position of the Conservative party in regard to a measure of this kind. In this house and outside of the house we have been repeating over and over again that Canadians should recognize the unique opportunity that presents itself to us at this time to make use of the vast resources that have become available to us. We have emphasized the fact that it is the duty of Canadians to develop those resources for the benefit of Canadians themselves. We deferred comment in regard to this particular matter because we had expected that there would be some statement by the government in regard to the new agreement in view of the fact that it is perfectly obvious that the agreement which is now tabled in relation to the crown corporation that is projected cannot possibly be fulfilled and carried out. That has been made clear this afternoon by the minister. It is unfortunate that at this stage we are asked to discuss a subject when the nature of the agreement, in so far as the time factors are concerned and the way in which financing will be carried out, is left entirely uncertain.

The remarks of the right hon. minister have dealt generally with the question of the pipe line and its purpose. He has indicated that the purpose of this motion and the measure that would follow, if it is adopted, is to hasten the day when Alberta will have an outlet for its natural gas. This proposal would do the very opposite. This proposal is going to delay the delivery of gas by adopting a method that makes us dependent upon the whims of the federal power commission in Washington.

This government has placed itself in the humiliating and improper position where it is bound to wait until an agency of the government of the United States reaches a decision. We pride ourselves on our sovereignty and yet this sovereign parliament is asked to accept a proposal which does not leave us in the position where we can say when this will go ahead. We believe that the time has come to assert without any reservation that we want an all-Canadian pipe line under Canadian control which can be proceeded with right away to deliver Alberta gas to Ontario and Quebec and wherever else in the east it may be available.

What is now proposed will not achieve that result. What is now proposed makes this government dependent upon the decision of the federal power commission in Washington. That is not a position which this government now or at any other time should be prepared to accept.

The minister referred to hon. members possibly questioning why it is necessary to market gas in the United States. He said that there is in the United States an immediate customer load. There will not be a customer load unless and until the federal

power commission say that gas can be delivered. Estimates are given by those close to the federal power commission in Washington which are very definite, that it will be a long time before that permission is granted. In fact, this has shaped up into one of the biggest fights between conflicting interests in the United States that has occurred in years, and we are left by this proposal in a helpless position, unable to guide the course of events. If the sale of gas in the United States is necessary, then why put ourselves in this position? Why not deal with that as one problem and deal with the supply of gas into Canada as another?

The minister in his remarks repeated a statement to which reference has been made on other occasions. He said that control of this company is open to Canadians. That statement is a shallow pretence. That statement has no meaning and is not borne out by the facts. That statement, no matter what the intention may be, will have the effect of deceiving people unless it is pointed out that the very opposite is the situation. The minister repeated today that there is an agreement that the Canadian public will be offered 51 per cent of the voting stock. That is not so. He said on earlier occasions that Canadians would be offered 51 per cent of the voting stock. That is not so. What is provided in the agreement is that there will be an offering in Canada of 51 per cent of the total amount that will be outstanding, including what is now issued.

Mr. Rowe: Quite a difference.

Mr. Drew: That is a single issue. It does not mean at all 51 per cent of the control. It means simply that, in order to comply with that provision in the agreement, it is only necessary for the company to take the amount now issued, which is just under two million shares, and then issue an amount which would bear the relationship of 51 per cent to 49 per cent, which would be an amount slightly over two million shares, and they would have complied with the provision in the agreement.

Mr. Howe (Port Arthur): That is not true.

Mr. Drew: That is true, and section 6 of that agreement makes that clear. The minister is in the habit of making such inaccurate statements that this is not surprising coming from the same minister. That is, however, the correct interpretation of that section, no matter what was intended—

Mr. Howe (Port Arthur): You think.

[Mr. Drew.]

Mr. Drew: If the minister will just forbear; after having made so many inaccurate remarks here, he might remain silent for a while and listen to a discussion of this subject. I repeat that this agreement does not assure any opportunity to Canadians to have control, and there is not the slightest chance in this world that these powerful United States interests who have control today are going to let that control pass out of their hands; none whatever. This venture is controlled by powerful United States interests, and they will hold that control—we cannot blame them for doing so—if they are permitted to proceed with an arrangement of this kind. But do not let the minister pretend to the Canadian public that he has any undertaking of any kind. He has no undertaking at all, that is, if he was correct in his answer in this house a few days ago when I asked him if there was an undertaking, and he said there was not. All that exists is an agreement between the parties interested. Section 6 of that agreement to which I have referred contains the reference to 51 per cent, but this is not 51 per cent of the voting control.

I am just dealing now with statements made by the minister which have some relation to the motion before us. The minister said, and these are the words he used:

> If there is some uneasiness in this country about the extent and nature of United States investment in Canada, this is the wrong place to focus it.

This is the place to focus our concern about United States control of our great resources. This is the opportunity right now—

Mr. Rowe: And the only one.

Mr. Drew: —and the only opportunity we have to express that concern. It is appropriate that we should express it, particularly in view of the fact that the minister held directly opposite views, until last year at any rate. We do not know when his opinion changed.

He spoke about the fact that there had not been criticism in other cases where there was control by United States financial interests of certain developments. Well, there is no public money being put up in those cases to assist them in their finance. There is, for instance, the case of the Westcoast Transmission Company, which is to carry gas from the Peace river through the mountains to the Pacific coast and to that part of the United States. They are doing that by private financing. Does the minister suggest that the Rocky mountains constitute an easy and populous area between the Peace river and the Pacific coast? I am inclined to think that the Rocky mountains are a more formidable barrier than the section of northern Ontario through

which this pipe line is to pass. It is not passing through a populous area where there will be many offshoots along the line. That company is financing that privately. For that very reason the considerations in that case are very different from the considerations that we should bear in mind in discussing the subject now before us.

The minister has said that it has now become improbable that financial arrangements can be carried out by May 1. That, of course, is perfectly obvious and is recognized. The result is that we are being asked to give this minister another blank cheque—

An hon. Member: Hear, hear.

Mr. Drew: I hear one of the hon. members opposite say "Hear, hear". The hon. members opposite are quite ready to give a blank cheque to a minister who has shown how improper it is to give him uncontrolled powers.

An hon. Member: They do what they are told.

Mr. Drew: They, of course, have been told by the same minister at a meeting here in Ottawa that it is appropriate for them to follow instructions whenever they are given. They have been told it is proper to toe the party line, and I regret that there is some indication they are going to follow those instructions on this occasion.

Mr. Knowles: And now they must toe the party pipe line.

Mr. Drew: It is perfectly clear that, when the government talks about hastening this development, it has no idea when it can go ahead. We want action, and we want to make it perfectly clear what is before this house. This is one of the most remarkable proposals ever made to the Canadian House of Commons. We are asked to declare by this motion:

> That it is expedient to introduce a measure to provide for the constitution of the corporation to be known as the Northern Ontario Pipe Line Crown Corporation . . .

It is then proposed in the resolution that this crown corporation be set up for the purposes of:

> . . . constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing . . .

It is further to have the power to lease this pipe line to Trans-Canada Pipe Lines Limited, with an option to purchase. All this means in simple terms—and I address these remarks particularly to the members opposite—that we are being asked to set up a crown corporation which will use public funds to assist financial interests in the United States in establishing effective control over one of our major resources. I doubt if there is any precedent for such a proposal. Can anyone recall any case where any other government actually put up money to help financial interests control their own resources in this way? I ask hon. members opposite if any one of them thinks that the congress of the United States would for a moment give serious consideration to a proposal that they use money of the American taxpayers to complete financial arrangements for some Canadian company to take control over resources of the United States. There is not an hon. member of this house who does not know that they would be laughed out of congress if they made any such suggestion. I submit, Mr. Chairman, that a proposal of this kind should be laughed out of the house. Unless any hon. member is prepared to say that he thinks the government of the United States would do this in the case of a Canadian company, then let him examine his conscience before he is prepared to say that it is expedient that we should do this here.

Mr. Pickersgill: What about the Grand Trunk Western?

An hon. Member: What about the Alaska highway?

Mr. Drew: Let us keep in mind exactly what is before us and certainly not pay any attention to the interpolations that have just been made.

An hon. Member: You asked a question.

Mr. Drew: This is a project to assure government ownership of part and only part of the gas pipe line. When the minister talks about preferring this to government ownership he seems to forget that he is asking us to approve of government ownership. That is what this motion is, but it is government ownership of a hybrid form and with a strange purpose.

All Canadians want this pipe line built. I am not in any doubt about that. Alberta has natural gas to sell, vast quantities of it, and Ontario and Quebec want that gas. A line should have been built long ago and would have been built if it had not been for the fumbling, bumbling and confusion of this government. This company was incorporated by a bill in this house in 1951, five years ago. Hon. members who were here at that time will remember the impatience of the minister when there was some delay in passing the bill. The government wanted action right away. Their chosen instrument must be assisted and allowed to go ahead five years

ago and yet they do not even know now when the proposal they have put before us could be completed.

If there has been any delay it has been the delay of this government in failing to deal with a proposal that was before the house five years ago. We want to see this Canadian gas moving and we want to see it moving at prices that will be fair to the producer in Alberta and fair to the consumer in Ontario and Quebec. It is particularly important that gas be made available to communities in northern Ontario, that great central arch which joins eastern and western Canada. It is not merely a part of Ontario. It is the central area of this continent and that area does need this natural gas.

It does not follow, however, that this is the plan which should be adopted to fulfil that purpose. In fact, and I should like hon. members opposite to bear this in mind particularly, the government disliked this plan very much only eight months ago. They said so. Let me read what the Prime Minister said on July 8 last year, as found at page 5862 of *Hansard*. This is what the Prime Minister said:

> There are three alternatives that are being carefully investigated and about which, of course, the commitments of many different interests are required. There is one that we prefer to the other two. There is a third that we do not like as well even as the second. The officials of the Canadian company are endeavouring to get the commitments that would provide for the implementing of No. 1. They are also ascertaining whether, in the event that is not possible, they could get the commitments that would be necessary for the implementation of No. 2. That is the situation. I hope we shall not have to fall back on No. 3.

The government, Mr. Chairman, is falling back on No. 3. I hope the Prime Minister will explain to us at the earliest possible opportunity exactly why the government is falling back on a plan which he disliked eight months ago. I think we should know from the Prime Minister what the other plans were and why they could not be carried out. We have not yet had that explained. We have sought over and over again to obtain information in the house in regard to what the government was doing. We have not been able to obtain information from the Minister of Trade and Commerce at any time. In fact, it was only a few days after the Prime Minister's statement that the Minister of Trade and Commerce left the impression that he did not know about any such three plans. The Prime Minister's statement was made on July 8. On July 14 of last year, as recorded at page 6156 of *Hansard*, the Minister of Trade and Commerce said:

> Mr. Chairman, I am unable to throw any light on the pipe line situation other than to say that every possibility is being studied, and studied intensively. I hope a solution can be announced before long, but I cannot announce it today. My hon. friend has the advantage of me if he knows what propositions one, two and three are; I do not.

That was six days after the Prime Minister had said: We have three propositions; we like the first best, we like the second not quite so well and we do not like the third. Yet the Minister of Trade and Commerce, who sits beside him in cabinet as well as in the house, had not even heard about it or at least he said so. Does any hon. member of this house wonder why we accept every statement from the Minister of Trade and Commerce with a very large grain of salt? In view of the fact that we have not been able to get the information from the Minister of Trade and Commerce as to what the three plans were and what happened to the first two plans, we have a right to know from the Prime Minister why he is now supporting the third plan which he did not like eight months ago and told us so. We certainly should have that information. It cannot be because the minister had not heard of the other two that the government is falling back on the third plan which the Prime Minister hoped they would not be called upon to do.

It is generally stated that plan No. 1 called for the guaranteeing of bonds, and plan No. 2 called for advances by the industrial development bank. Those two proposals fell through. The house will wait with interest to find out what the reasons were. If there were no other ground, Mr. Chairman, for opposing this motion that the government commit public funds for this purpose, there would be the strongest reasons for opposing it when we have no evidence before us that the pipe line cannot be financed privately. On the contrary, the basis upon which Trans-Canada was given permission to proceed was that it could finance an all-Canadian pipe line. Trans-Canada did not get permission to proceed because the board of transport commissioners, the government or anyone else liked the colour of their eyes or the way they looked when they appeared. They got that permission because they gave an undertaking that they could finance an all-Canadian line without any subsidiary lines. That was the basis. That was asserted at the time of incorporation. It was asserted on many different occasions after that.

If the members of this house are to act with some measure of responsibility in regard to this motion, then surely they must review the facts which lead us up to this present situation. Let us recall what the sponsor of the bill of incorporation said when it was presented to the House of Commons. I refer to the bill of incorporation of Trans-Canada

Pipe Lines Limited. The hon. member for Vegreville, who introduced the measure, as reported at page 736 of *Hansard* for February 27, 1951, just over five years ago, said this:

. . . it is an all-Canadian route and, with the total volume of gas consumed in Canada, complete control will be ensured in this country.

That was the basis upon which that bill was voted on in this house in February of 1951. Then the bill went before the standing committee on railways, canals and telegraph lines. Mr. Frank A. Schultz, representing the company, appeared before that committee on March 6, 1951. At page 10 of the minutes and proceedings of that committee for that day we find the following words of Mr. Schultz:

The second consideration was that it should be an all-Canadian project, that it would be Canadian gas transported over an all-Canadian line, and that 100 per cent of the consumption would be in Canadian cities.

Those are not the words of any hon. member on this side of the house. Those are the words of the man who was asking for approval of their application. That statement was clear enough. That statement was the basis upon which they asked for consideration. It was to be an all-Canadian project carrying Canadian gas over an all-Canadian line with 100 per cent of the gas consumed in Canadian cities.

Then later in the same day Mr. Schultz said this, as appears in the same report:

You may be interested to know about the marketing situation. We are satisfied at this stage that adequate markets exist in the eastern part of Canada to consume all the gas that we can produce and move through this line.

Mr. Chairman, if that statement was made in good faith, what has happened in the meantime? One thing that has happened in the meantime is that Ontario has enormously expanded her industrial production, as has the province of Quebec. The population of Ontario and Quebec has grown at a tremendous rate. The market is very much greater now than it was at the time this statement was made as the basis upon which they sought consideration.

On the same day that Mr. Schultz made that statement, the counsel for the company said this to the committee, and I quote his words from the report:

. . . it is inconceivable that a company that has gone to the lengths this company has, both in telling parliament and in telling the public, and in spending money in the investigations it has made of markets across the country, and on engaging engineers to survey routes, would with a straight face go to the transport board and say: 'Notwithstanding all we have said, we now want to apply for a route different than we said we were going to apply for'.

Mr. Chairman, is the company coming with a straight face and now saying it cannot finance an all-Canadian pipe line when the opportunities for financing are far greater than they were five years ago? I want to read the next words used by the counsel, and I quote from the report:

Even if they did that, the transport board, I think, would refuse the application because the company would have showed bad faith.

Those are the words of their counsel, not ours; if the company changed from the assertion they made at that time, they would have showed bad faith. That assertion was used to assist the company in obtaining consideration for the application it was making. What of the situation where the company obtained its permission almost entirely on the ground that it could build an all-Canadian pipe line and finance that whole line to supply gas to eastern Canada? If it was not good faith, in the words of the counsel for the company, to change the route, it was certainly not good faith to change their position with regard to financing.

Just when did the company come to the conclusion that it could not finance this northern Ontario pipe line? We have not been told. It was not in the mind of Mr. Clint W. Murchison, the moving spirit behind this company in its early stages, when he wrote a letter addressed to the Minister of Trade and Commerce on March 7 of last year. This is what Mr. Murchison, who has been shown such great consideration by the Minister of Trade and Commerce at all stages in these proceedings, said in the letter he wrote to the minister on March 7 of last year:

We first came into western Canada about five years ago, and at that time we heard of pipe lines to Chicago, Minneapolis and other points south of the Canadian border. We immediately conceived the idea of an all-Canadian pipe line, knowing in the beginning that anyone would take the routes into Minneapolis and Chicago as being much more remunerative and easier to finance, but feeling that the Canadian citizens were of such patriotism that they wanted a fuel system within the confines of their own boundaries to the extent that they would not be subjected to the vicissitudes of American politics. We frankly gave no serious thought to anything but the Trans-Canada Pipe Line and tossed the other routes out as impractical in so far as it concerned the people of eastern Canada.

Mr. Murchison then went on to explain certain other details of what had taken place and he said this. I am quoting from that same letter:

To this end Trans-Canada Pipe Lines has asked the industrial development bank to commit for $70 million of securities. We are willing for them to couch their terms so stringently that if we are not able to repay them for all the moneys they have advanced by the next five years, we will allow them to foreclose their position and take us out of the picture altogether.

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That was the confident statement of Mr. Murchison on March 7 of last year. When did he change his mind? We have not been told. When did he change his mind? We should know, because he was the moving spirit in the days when this company was given permission to proceed.

Nor was it only Trans-Canada Pipe Lines Limited that was so definite about what could be done. On March 13, 1953, as recorded at page 2929 of *Hansard*, the Minister of Trade and Commerce said this:

> Therefore the policy that has governed the export of electrical energy since 1907 must apply, within reason, to the export of natural gas. Canada has consistently refused to authorize firm contracts for the export of electrical energy, and this in spite of great pressure at times from producers of electrical energy. That consistent policy has paid large dividends to the Canadian economy, in that our sources of electrical energy have been preserved to our own economy.
>
> Therefore the policy of the government of Canada is to refuse permits for moving natural gas by pipe line across an international boundary until such time as we are convinced that there can be no economic use, present or future, for that natural gas within Canada.

That same day, as reported at page 2930 of *Hansard*, the Minister of Trade and Commerce told the members of the House of Commons that the government had, and I quote his words:—

> . . . reason to believe that it is economically feasible to build a gas pipe line from southern Alberta to Toronto and Montreal, serving the intervening Canadian cities, and government policy will require that Canadian gas be used in Canada accordingly.

Now, Mr. Chairman, it was upon that basis, and upon the confident expression of the minister that this was an economic possibility, that this whole matter proceeded. Early in 1954 the picture changed. Western Pipe Lines were seeking permission to carry gas south through Manitoba to the Minneapolis-St. Paul market. The Minister of Trade and Commerce at that time performed a shot-gun marriage and those two companies were brought together, the minister officiating at this strange ceremony. The result of this alliance was that Trans-Canada was no longer an all-Canadian line, but a line which divided in Manitoba and would carry gas east in one pipe line and south into the United States by another.

There was no suggestion at that time that Trans-Canada Pipe Lines, in its expanded form, could not finance the whole operation privately. In fact, having regard to what we are told about the value of the market in the United States, it should have been that much easier to finance the Canadian part of the line. On the contrary, they submitted evidence to the board of transport commissioners which convinced that very responsible body that Trans-Canada Pipe Lines could finance it. In a judgment dated July 24, 1954, Mr. Justice Kearney said, as reported at page 190:

> While bearing in mind that we are dealing with estimates, nevertheless, the board is convinced that such estimates have made reasonable allowance for foreseeable contingencies and have been prepared by skilled and reliable estimators.

Mr. Justice Kearney referred to evidence submitted to the board that the line was economically feasible and could be successfully financed. It was upon this, and other similar evidence, that the chief commissioner and other members of the board agreed that the permit could be granted. In 1954 Mr. Shultz again appeared before the House of Commons committee on railways, canals and telegraph lines. As quoted at page 45 of their report, in 1954 these were his words:

> Our experts have never claimed that we needed any help in doing this job.

The Minister of Trade and Commerce assured the nation that this line could be financed privately, and he so assured this nation a year ago now, because he wrote a letter on March 8, 1955, in which these words appear. The letter was tabled in this house in answer to an order for return. I quote the words of the minister:

> All studies indicate that the line is capable of being financed privately and it has been decided to defer construction for one year and let matters take their normal course.

When did this picture change, Mr. Chairman? When did the minister decide that the normal course could not be followed? When did this whole proposal suddenly take on new form? It did not take on new form because the financial situation was more difficult. We have been told over and over again of our improving national income; we have been told of booming business in the areas to which this pipe line was to go. If the minister was so confident on March 8 of last year that this could be financed privately, why does he now come before us and leave the impression that it cannot? What evidence have we that this line cannot be fully financed privately, as the Minister of Trade and Commerce thought it could less than a year ago? There is no evidence; none at all. The evidence is all to the contrary. Nor has any evidence to that effect been given to the board of transport commissioners.

The company have appeared before the board of transport commissioners on different occasions. They appeared there on July 24, 1954, and again on April 28, 1955, on September 21, 1955, and on September 15,

1955. On no single occasion did they make the statement that this could not be financed privately.

At the beginning of this session I asked that this whole question be submitted to a committee, as it had been in 1951. On January 12 I asked that it go before a committee. I asked again, on January 13. I pointed out that it would be helpful if we could obtain the facts in regard to this case, facts which are not yet available to us. It was refused. Had that request been granted we would now have information upon which we could act. As it is, the only definite statements we have are the statements of the sponsor of the bill in 1951, the statements made before the standing committee on railways, canals and telegraph lines in 1951 and in 1954, and the statements in the judgment of the board of transport commissioners in July, 1954, indicating their belief that this could be financed privately.

All the evidence before us is that this can be financed privately. We believe it can be. We believe this can be financed privately if there was ever any good faith at all in the statements of those who appeared in support of the application of this company. This company now has financial interests behind it far greater than those who supported it at the time the application was made. This company has financial interests behind it far greater than those who were behind it last March, when the Minister of Trade and Commerce was so confident that it could be financed privately. The present distribution of the ownership of this enterprise shows also that the control is in the hands of financial interests in the United States; that it is definitely under the control of these immensely powerful financial interests: Canadian Gulf, Hudson Bay Oil and Gas and Tennessee Gas Transmission, controlled in the United States, which have been added to the original applicants. The distribution of ownership at present is as follows: Canadian Delhi, which is Mr. Murchison's company, 24½ per cent; Western Pipe Lines, 24½ per cent; Canadian Gulf, 17 per cent; Hudson Bay Oil and Gas, 17 per cent; Tennessee Gas Transmission, 17 per cent.

When we are left with the impression that this financial venture is so large that the government must step in, just let us see what some of these financial interests are like. Tennessee Gas Transmission alone has assets in the neighbourhood of $870 million.

Mr. Rowe: They could build it themselves.

Mr. Drew: They could build it themselves. They would not have any difficulty whatever in putting up the entire equity to carry out this venture. They are doing it all the time in the United States. Those big organizations over there have built networks of pipe lines that look like the veins in the human body when you look at a map showing pipe lines in the United States. They could have undertaken this if there was the slightest suggestion of good faith in the assertion of the original applicants that they believed they could finance this project. There can be no question but that the combined financial interests represented by these five organizations could finance this whole venture today.

On the grounds of the evidence before us, Mr. Chairman, I submit that every hon. member who accepts any measure of responsibility should declare that it is not expedient that public money be put into a crown corporation to assist those financial interests in the United States to obtain control over these great Canadian resources. That is what we are being asked to do by this motion. We are not being asked to deal with any aspect of the bill that will come before us. We are being asked to declare that it is expedient that this be done. I suggest, Mr. Chairman, that all the evidence that has been furnished demonstrates that it is not expedient, but that it is most improper.

If these people cannot finance this venture, then they are in default. If they cannot finance the venture, then they have lost the right they obtained on the basis of that claim. If they cannot finance it, then some other arrangement should be made. If they cannot finance it, then this government long ago should have entered into negotiations which would have sought to provide Canadian control and Canadian financing of this great venture.

In any event this whole question should have been submitted at the beginning of this session to a select committee or to the standing committee on railways, canals and telegraph lines, so we could obtain the facts and find out how a pipe line can be built to carry gas from Alberta to eastern Canada with the greatest possible speed. That is what we want. It was not done at that time.

I hope, Mr. Chairman, that the government will reconsider its position. I hope that it will postpone the debate on this motion and refer this matter now to the committee. Nothing is going to be delayed by so doing. The government has assured delay by the proposal it has entered into. It has granted delay after delay since 1951, and now it has assured delay by making us dependent upon the decision of the federal power commission in Washington.

Northern Ontario Pipe Line Corporation

At this time I urgently place my first proposition before the government and particularly before the Prime Minister, who told this house last year that he did not like this third method. My earnest request to the government and to the Prime Minister is that they expedite this matter by referring it to a committee where we can get the evidence and learn what the facts are, and then from that evidence we can find out how Alberta gas can best be brought as quickly as possible to the east for delivery in Ontario, Quebec and the intervening markets across the country. All the evidence that has been furnished and all the evidence on record denies the right of this government to declare that it is expedient to adopt this course. I suggest that hon. members would be acting in an utterly irresponsible manner if, in the face of this evidence which is a matter of record, they declared it was expedient that we proceed in this manner.

However, Mr. Chairman, this matter goes far beyond the question of whether there is evidence that the project cannot be financed. Are we in any event going to approve of the plan that is now before us? We are asked to give our support to a proposal which places the handling of Canadian gas under the control of powerful United States interests, where it will remain. We are being asked to help with public money to place control in the hands of United States financial interests whose main concern is the delivery of gas to the United States. That is the market in which they are interested. The Canadian market is only a secondary consideration to them. It is true that they want Canadian gas and as much of it as they can get, but they are not showing nearly the same interest in developing the Canadian market.

The things we have been speaking of must of necessity be done by some other agreement than that which is now before us. We should not be asked to give this minister or this government a blank cheque. We should consider the situation only when we know we are going to have a definite agreement before us. We know now that the agreement we will be called upon to consider is not a real agreement at all. It makes a farce of these proceedings. That is all the more reason the government should withdraw this motion, let it stand and refer the whole matter to a committee.

What of the declared policy of the government in regard to the control of our natural resources? Do not let the government try to ask us to interpret its policy. It has already stated its policy. It has declared the similarity between natural gas and electricity. In view of the fact that the government itself has declared that we must conserve those resources and that as far as possible the same principles should apply to gas that apply in the case of electricity, then we might ask when did the government change its mind.

We have a right to know that. We have a right to ask that question before a committee which will ascertain all the facts. We know perfectly well that on a number of occasions this government has refused the export of electricity although there might have been an immediate profit gained by the export of that electricity to markets in the United States. We know that this government has refused to permit water to flow from Canada into the United States for the purpose of producing electricity there. The government has drawn a similarity between electricity and gas. Let the government follow that policy or, if it declares it does not intend to, then the government should let us know when it changed that policy and what the present policy is.

Certainly nothing that has happened would explain the situation which the government presents to us. It was suggested today that this is not a monopoly. This method will provide a real and complete monopoly over one of our economic lifelines. This would be set up under the control of United States interests with the assistance of large sums of Canadian taxpayers' money.

We come now to the next stage. Because of its interest in the 675 miles of government-owned pipe line from Manitoba to Kapuskasing, this government would be bound to assure that it was a monopoly. There could be no doubt about it. The government, by its course, is assuring that it is creating a monopoly, and it is placing that monopoly in hands outside of Canada. It is assuring a long-term monopoly. If it is sound to follow this course, I hope we will then have an explanation from the Prime Minister as to why the government did not follow one of the two other courses which the government said it preferred. The Prime Minister has told us that either of the other courses would have been better than this. If the reports we receive are correct I am sure that most hon. members, including most hon. members opposite, will agree in their own minds that that is true.

The government recognizes that Canadians are concerned about the matter of control. The government has left no doubt in our minds that it recognizes that the people of Canada are greatly concerned. That is why the government keeps talking about this 51 per cent interest. The reason the Minister of Trade and Commerce raised that myth about the 51 per cent interest being assured

to Canadians is that he and the government recognize that the people of Canada are concerned about where the control of this company lies. It is just one of those changes in wording which shows how difficult it sometimes is to follow the statements of the Minister of Trade and Commerce.

Speaking to the Canadian club in Toronto on January 30, 1956, the Minister of Trade and Commerce used these words, and I quote from the text of the speech handed out from his office:

> Trans-Canada Pipe Lines have, in addition, undertaken that when public financing takes place, at least 51 per cent of the total issue of voting stock will be offered to Canadians.

There is no agreement of any kind which suggests any such thing. The government could not make it enforceable if it wanted to. In any event the government has no undertaking; at least that is what the Minister of Trade and Commerce has told us.

Mr. Rowe: It is a political hope.

Mr. Drew: This is nothing more than an attempt to beguile the Canadian people into believing that their concern is without ground. The government knows that the people want something done, and it wishes to create the impression that it is taking steps to do it. Surely, Mr. Chairman, we are not going to be called upon to wait until the federal power commission in the United States makes up its mind. Surely we are not going to change our whole course and go in for public ownership without an explanation as to why this government has abandoned private ownership. Do not let the government tell us that this is not public ownership. It is just as much public ownership for 675 miles as it is for the whole line.

The Minister of Trade and Commerce referred to the desires of the socialists in this case.

Mr. Howe (Port Arthur): I was including you.

Mr. Drew: I should think that is the kind of remark we would expect from the Minister of Trade and Commerce. If in this particular case the Minister of Trade and Commerce is seeking to demonstrate that there is socialism in public ownership, then this government has declared for socialism because it is asking us now to approve of a publicly owned pipe line which would extend 675 miles from Manitoba to Kapuskasing.

I do not agree at all that this is socialism. I do not agree that public ownership under appropriate conditions is socialism. It would be rather difficult for me to contend that it was in view of my fairly extended association with the largest example of public ownership in Canada, the Hydro Electric Power Commission of the province of Ontario.

We believe this can be done by private enterprise as was recommended. We believe it is the duty of the government to promote that opportunity. We believe the government should now take steps to reorganize Trans-Canada Pipe Lines. We believe there should be an all-Canadian line which would be entirely independent of any decision made at Washington. We believe that Trans-Canada Pipe Lines as an all-Canadian pipe line should be called upon to carry out its promises made to this parliament in 1951, 1953, 1954 and again in 1955. Furthermore we believe that this company can do it on the basis of the present financial interests, but we do demand that this government assures Canadian control of that enterprise.

The Minister of Trade and Commerce talks about Canadians being reluctant to invest, but it is no wonder they are reluctant to invest when they are denied control as is being denied in so many cases. The Minister of Trade and Commerce has read to us the list of directors of this company. They are all highly respected Canadian businessmen, they are men who would make admirable directors of an all-Canadian company operating within Canada. I would hope it would be possible for them to operate an all-Canadian company, Canadian-financed, in ways this government has already considered, in ways the Prime Minister referred to only eight months ago as being the ways in which he preferred that this should be done.

The Minister of Trade and Commerce spent some time speaking about the position of Ontario. It is well known that Ontario made another recommendation to this government. It is well known that Ontario prefers another method. It is well known that Ontario only adopted the course they have adopted because they want gas in Ontario. They have no control over this. Any talk of this being a joint crown corporation is nonsense. It is a crown corporation set up by this government. There is no legal structure under which a joint crown corporation can be set up. That is eyewash, that is an attempt to deceive the people of this country. It is a crown company set up by this government. They decided, and then they told the Ontario government what they were going to do. The recommendations of that government were not regarded. The Prime Minister knows perfectly well that this is not the course that was recommended by the government of Ontario. The premier of Ontario made that

perfectly clear when this subject was under debate in the Ontario legislature only a short time ago.

This proposal is bad in every respect. It is a bad compromise between public ownership and private ownership. It is neither flesh nor fowl nor good red herring. It is public ownership without any assurance that it will ever be private ownership unless it suits the people who are favoured. It could be a segment all by itself, and for that reason we have to consider the stage beyond. It is a segment of this great financial empire that has been conceived by Mr. Clint Murchison, who expressed such confidence only a year ago in his letter to the Minister of Trade and Commerce.

This segment might be left as an ineffective unit in the pipe-line system. What would the government do then? Would they leave it idle? They could not; no government could. Therefore if it comes to the stage where this government forces through an unnecessary venture of this kind, then there is only one thing to do and that is build the whole pipe line and not just part of it, and have control over the whole line. I repeat, though, that I do not believe that is necessary.

Mr. Knowles: That is where you are wrong.

Mr. Drew: I know I am not wrong. I believe this can be financed. I repeat that if this cannot be financed in this prosperous country with the amount of money that is being earned in this country today, then the statements which the minister put before this house misrepresented the facts to the house, and the statements upon which this company got permission to proceed were gross misrepresentations of their expectations. I hope we do not have to come to any such conclusion.

The Canadian government must accept full responsibility for the situation with which we are confronted. This is not the first time the Canadian government has been called upon to consider the problems of that northern stretch. The Minister of Trade and Commerce referred to the problems created by the northern Ontario arch which joins eastern and western Canada. That problem was faced by a Conservative government many years ago when this country had a small population and very limited financial resources.

There is a very real parallel between the construction of the Canadian Pacific Railway and the construction of a carrier of this type through that same area and across Canada. They did not have any financial group of this kind, but they insisted that it be Canadian controlled. They refused to go to Chicago for their finances at that time. As early as 1871, when applications were being made to build the Canadian Pacific Railway, Sir John Macdonald wrote these words:

> You may depend upon it, we will see that Canadian interests are fully protected and that no American ring will be allowed to get control over it.

He stuck by that principle and today we know the result. It made Canada one nation. Two courses were open. The Liberals of those days talked about the insanity of nationalism, they talked about the fact that there should not be nationalism that sought to have Canadian control of this kind; nevertheless the government insisted upon it. There is not an hon. member here who can have any doubt that under the immense economic pressures that would have been exerted by the colossus to the south it would have been doubtful whether western Canada could have remained an economic part of Canada as a whole if Sir John Macdonald had not had the courage he showed at that time. Commercial union was being proposed by Liberal members of parliament of those days, members of the then opposition. In spite of the opposition of Liberal members at that time steps were taken that made this country one nation.

I would remind hon. members, and also recall to the Prime Minister, that it was not necessary to have a publicly owned segment of the Canadian Pacific Railway. The government did get behind the railway. The government did show its confidence in the railway at a very difficult time. But times are not nearly so difficult now. A country with a $26 billion annual income is in a much better position to take the steps that are necessary to assure this as an all-Canadian development today.

Two courses are open to this government. One is to take full advantage of the Canadian market and follow a method that will carry out the original intention of this government. The other is to let the sale of gas be dictated by United States interests, who will in turn tell us what we can do. Make no mistake about it; in a very real measure we are being called upon to sell our birthright by this proposal. It is perfectly clear that Canadian enterprises are going to pay more for the gas than their corresponding competitors in the United States. The agreements already filed in Washington in support of the application for the right to export Canadian gas show perfectly clearly that prices there will be well below prices available to Canadian competitors in the same field. That is something that certainly should be borne in mind.

When the Minister of Trade and Commerce tells us about the arrangements that have

been made and says that we are being asked only to approve of a method that will avoid public ownership, let us remember that that is not the proposal. It is to put up Canadian money to assure the financing of this operation in the hands of foreign interests. Then let us see what happens, as disclosed by the applications at Washington. It is shown that of the 200 million cubic feet a day that they propose to export at Emerson, 152 million cubic feet will be taken up by three companies or will be alternated in supply for other gas used by those companies.

These are the three companies, and they are extremely interesting companies in view of the broad situation that has developed. The first is United States Steel in Chicago. Its contract is filed, showing it will take 70 million cubic feet a day. The second is Inland Steel at Chicago, which will take 45 million cubic feet a day. The third is Iron Ranges Natural Gas of Minnesota, which supplies iron developments in the Mesabi area and whose contract is for 37 million cubic feet a day. This makes a total of 152 million cubic feet.

Do not let anyone suggest that this is not the use that is to be made of this gas, because those contracts are filed in support of this application for export. Whether those contracts would be filled directly by Canadian gas or whether there would be an alternation through the use of Canadian gas is unimportant. What is going to happen if that gas goes there? Let us see what an interesting thing this is.

What an interesting combination of events. We have seen what comes from the west. Let us look to the east. Canada is spending large sums of money in building the St. Lawrence seaway. A few days ago the president of the Canadian seaway authority, Hon. Lionel Chevrier, explained that the reason we now have the seaway is that the United States wants iron ore. He explained that the main cargo shipments through the seaway will be iron ore. This is very interesting. This great seaway that we are helping to build is going to carry iron ore through the lakes to mills where it will be processed with Canadian gas.

Mr. Fulton: Where is the iron ore coming from?

Mr. Drew: The iron ore will be carried to United States companies, which in turn will be using Canadian gas at less than the price for which our steel companies can get gas.

Mr. Rowe: Canadian ore, too.

Mr. Drew: Of course, that is Canadian ore from eastern Canada that I am speaking about. It may be easier to export natural gas, but we should make sure that we have our own supply of natural gas in the future. We should remember that gas pipe lines in the United States are hardly able to keep pace with demand there. Even our enormous resources will not keep up with our demand if we get too deeply involved in that network in the United States, which is now being pressed forward at such a rate. New discoveries, in fact, are not keeping pace with demand in some areas; some contracts are actually in default because of the shortage of gas in some parts of the United States today.

Past history shows that once United States interests get control of these resources, they will protect their own consumers. That is their legitimate right. I suggest we make sure, as representatives of the people of Canada, that we protect our own consumers by the course we follow in the House of Commons. There may be difficulties, as I have said before and as the Minister of Trade and Commerce has emphasized. However, those difficulties are insignificant when compared with the difficulties faced by Sir John A. Macdonald and Sir George Etienne Cartier as they stood shoulder to shoulder at the time they brought this country together by means of another common carrier.

Had Canadians not been prepared to make great efforts and to make equally great sacrifices in the early days of Canada, we would not have survived as a nation. There can be no doubt about that fact. Today the demand is just as great, because we are at an hour of decision in this country. We have to decide not only a policy for this particular pipe line but we have to decide whether or not the time has come to follow a definite plan of conserving and developing Canadian resources for the advantage of Canadians here in Canada. Contrary to what the Minister of Trade and Commerce has said, this is the occasion to focus attention on our resources. This is the only place to do so, and this is an opportunity to declare our economic independence of the United States. This is the time to plan to make full use of the resources that God has given us.

The day may seem long past when there was any uncertainty about Canada's future as a sovereign nation, but the principle is the same. No matter how friendly any other nation may be, I submit that it is our duty as the representatives of the people of Canada to follow a course that will assure Canada's economic, as well as political, independence. That cause is not served by the resolution now presented to us.

I submit that it is not expedient that we support this plan to assist in the handing over

of these resources. I urge the government once again to refer this matter to the appropriate standing committee of this house, or to a select committee. Let us get at the facts. Let us also find out when the government's position changed. Let us find out when there was any change in the position of the company. We have no evidence from them that there has been any change.

Let it also be declared by the government what steps they will take to proceed with an all-Canadian pipe line without delay, to bring natural gas from Alberta to the markets of eastern Canada. When the Minister of Trade and Commerce speaks about the desirability of markets in the United States, may I emphasize the fact that we have at no time suggested there should be no export. What we do say is, let us end this humiliating position where the government is dependent upon the whims of the commission in Washington. Let this government decide on the development of an all-Canadian line. It will then be in a position to lead from strength and not from weakness. If the United States is ready to accept gas from Canada, then let that gas be exported under proper terms of conservation and proper terms of control. Let us not await their desires. Let us act as Canadians on this occasion in dealing with our own resources.

When it is suggested that this is such a vast enterprise, have Canadians forgotten that we have already built many pipe lines? We have constructed in Canada many oil and gas pipe lines since the war. In fact, in the last eight years alone $600 million has been spent on oil and gas pipe lines in Canada, and on the lines in the United States which are tied in with these pipe lines another $200 million. The whole of that $800 million has been private investment. Why should we be so alarmed, why should we be so concerned about this prospect now before us?

I should like to emphasize one point. There is a distinction between the handling of electricity and the handling of gas. You can go and measure with the greatest accuracy the potential power of a great waterfall. You harness that waterfall, tie it into the transmission line and the water continues to flow. Gas is not the same. It is a wasting asset. In order to keep up a gas supply, new wells must be discovered, new fields must be found. The evidence is very strong to support the belief that private initiative and the enterprise of individuals are needed to go and find these new sources of gas. Therefore I would hope that we would be able to keep this as a privately financed enterprise with the sources being found in the way they are now.

I would also point out that we would be getting involved in a system that presents many difficulties if it should be found necessary to enter into a publicly owned system, because many of the collecting points would be drawing gas from privately owned fields. It will be almost impossible to divide the interests in that way. Therefore it seems obvious that private enterprise, in developing sources of supply and arranging contracts for distribution, is desirable.

Before I close I want to put certain suggestions before the house and for the consideration of the government, in the hope that they may be prepared to listen to the words of the Prime Minister when he told the house last year that he did not like this method. First, refer the whole question immediately to a committee of this house to obtain the facts and make appropriate recommendations. Second, insist upon the reorganization of Trans-Canada Pipe Lines as an all-Canadian company which can proceed immediately and under Canadian control. Third, if Trans-Canada cannot carry out its undertaking, then open the whole matter and permit new interests to make their proposals for an all-Canadian line, Canadian controlled. Fourth, if it can be shown, and I doubt that it is so, that part of the pipe line must be built as the government asserts on this occasion, then instead of building a part which could become an orphan under certain circumstances in the future, let them build the whole pipe line and lease it for operation under Canadian control.

By one of these methods, Mr. Chairman, Canada's main gas pipe line can be returned to the control of Canadians as it should be. This is our chance here in the House of Commons to mark a turning point in the greater control by Canadians of their own resources. Let this be a declaration not only in relation to natural gas but in relation to our great resources generally, not in any spirit of selfishness, not in any narrow approach but rather with the idea that as trustees for future generations of Canadians, along with any export that may be carried out under wise and appropriate conservation and control, our main purpose will be the future welfare of Canadians themselves.

We have been asserting this proposition for a long time. I find it difficult to understand how there could have been any doubt about that position. But, Mr. Chairman, on this occasion the greatest responsibility is on the opposite side of the house.

An hon. Member: I will take it.

Mr. Drew: I hear one hon. member amongst the Liberals to my right saying "I will take it." I hope that for once we will see some

of the Liberal members of the house stating in the house the beliefs they state outside. I hope that for once they will not follow the instructions of the Minister of Trade and Commerce that they must toe the party line. I hope that for once, on a great issue of this kind, a voice will be raised from the other side which is consistent with the point of view being expressed across Canada at this time.

Some hon. Members: Oh, oh.

Mr. Drew: Instead of the kind of laughter that I hear from some of the vacuous faces at which I am called upon to gaze at this time may I suggest—

Mr. McCann: Look in the mirror.

An hon. Member: Look at your own people.

Mr. Drew: Oh, Mr. Chairman, that certainly is fully in order and perfectly accurate.

An hon. Member: Just keep on talking. We are here.

Mr. Drew: Mr. Chairman, instead of interpolations of the kind we have just heard I would have hoped that we might have heard one of the Liberals opposite speaking up for Canada.

Mr. Coldwell: Mr. Chairman, this afternoon the Leader of the Opposition has covered a great deal of ground. Indeed, he covered a great deal of the ground that, if I had had the time this afternoon, I would have covered myself, because I believe with him that this is one of the most important matters to come before the house since I have been a member of it. I believe this problem must be faced by parliament, and that this proposal to hand over one of the greatest of our Canadian resources to United States interests is against the future welfare of Canada.

This afternoon the Minister of Trade and Commerce said that this was an all-Canadian national gas pipe line. Well, earlier this afternoon the Leader of the Opposition put on the record the companies that are behind this proposition. We have only to look at them to see the giant United States interests that are behind this particular proposal, Tennessee Gas Transmission Company, Gulf Oil Company through Canadian Gulf, Continental Oil Company through Hudson's Bay Oil and Gas Company.

The only surprise I had was when we rose and asked for a recorded vote on the resolution then before us, and the official opposition voted with the government. Time and again this afternoon the Leader of the Opposition in his remarks stated that it was not expedient to do this thing. Yet what did they vote for? "That it is expedient to introduce a measure to provide for the constitution of the corporation", etc. That is why we opposed it.

Mr. Drew: Mr. Chairman, on a question of privilege—

Mr. Coldwell: No, no.

Mr. Drew: Let me make the record clear.

Some hon. Members: Order.

Mr. Drew: I want to make the record clear.

Some hon. Members: Sit down.

Mr. Drew: We voted for the motion that the Speaker leave the chair.

The Chairman: Order.

Mr. Coldwell: Mr. Chairman, when the Leader of the Opposition was speaking—and he was good enough to withdraw the remark—he characterized what we did this afternoon as silly. I want to say that, as I listened to his subsequent remarks this afternoon, while I am not going to apply the same term—

Mr. Rowe: You could not do so.

Mr. Coldwell: —it certainly flitted through my mind on many occasions during that address. However, be that as it may, I am in agreement with him in the criticism he has made of these proposals. Like him, I look back on our history in this country and I realize how, through the years since confederation, the people of this country have struggled for their independence, political, social and to a degree economic. I believe the people of Canada are with us when we say that we oppose this proposal. I believe that opinion is shared by people from one end of this country to the other.

I want to say this to the minister, to the opposition and to the members of the house generally. This afternoon we are not approaching this problem from any doctrinaire position. We approach it rather in the tradition of men and women of Canada who have safeguarded the interests of this country in the past. We have before us today a proposition not for supplying natural gas to Canadian homes and industry, but a proposition which will send the bulk of the gas to the United States via Emerson and transport the rest through a spur line to eastern Canada; via a spur line, let it be said, which Canada and Ontario are to build with public funds for a company under foreign domination.

Like the Leader of the Opposition, I recall the words of Sir John A. Macdonald. He quoted them this afternoon. I am not going to quote them again, although I intended to do so. However, I am going to quote another

statement of Sir John A. Macdonald which he did not quote and which I think this house should bear in mind in discussing this problem. At the conclusion of his remarkable speech when he was urging the building of a Canadian transcontinental railway he said this, as reported at page 494 of volume 1 of the debates of 1880-81:

> I can trust to the intelligence of this house, and the patriotism of this country, I can trust not only to the patriotism but to the common sense of this country to carry out an arrangement which will give us all we want, which will satisfy all the loyal, legitimate aspirations, which will give us a great, an united, a rich, an improving, a developing Canada, instead of making us tributary to American laws, to American "gas companies," to American bondage, to American tolls, to American freights, to all the little tricks and big tricks that American "gas companies" are addicted to . . .

I have changed two words. In two places I have changed "railways" to "gas companies". Otherwise that is the verbatim statement of Sir John A. Macdonald in this house in discussing the building of the Canadian Pacific Railway.

I say that no one reading the history of our country can fail to appreciate the many times and ways in which the independence of this country has been jeopardized. I say to my hon friends from the province of Quebec that every time the economic independence of this country is jeopardized or handed over to foreign domination, to that extent the political and cultural independence of this country is jeopardized.

I say that to them particularly for this reason. Looking back over our history, I believe they have been in the forefront in maintaining Canadian integrity and Canadian independence. One of the reasons I am opposed to this measure is that I believe the domination of our economic life by these foreign corporations is threatening the independence of this country, and that this is almost an immeasurable step in that direction, a step which this country will regret in the days to come. In so many ways we are dominated, through the radio, magazines, television, our defence arrangements made necessary by the international situation, perhaps; nonetheless our independence is gradually being whittled away.

I say that in this proposal there is a new danger, a new threat to our economic welfare, our independence and our development. I ask this house where among us today are the patriotic instincts that caused the fathers of confederation and the people who lived before us to build this country the hard way, if you will, but until quite recently successfully as an independent, sovereign nation?

Mr. Chairman, I believe it is six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Coldwell: Mr. Chairman, in his remarks this afternoon the Minister of Trade and Commerce made a statement which I found very interesting and new. That was that the premier of Alberta would only agree to the export of gas to eastern Canada provided that gas was also exported to the United States. I did not know that proviso had been made by the premier of Alberta, but it seems to me that is selling Canada's birthright for a mess of pottage.

Mr. Hansell: I doubt whether he said that.

Mr. Coldwell: I was very surprised that that should have been included because, after all, the provincial governments hold the resources of the provinces in trust not only for the people of their own provinces but for the people of all Canada.

Now may I also say something about the remark the minister made this afternoon regarding the attitude of Ontario. In an order for return, which was tabled a few days ago on my motion, I find the revised report to Premier Frost from Mr. Grant Glassco, of the firm of Clarkson and Gordon, which indicated very clearly, and I quote the exact words—

> That an all government-owned pipe line would be economically feasible even though no sales were made in the United States.

That, of course, is an opinion which should receive the careful consideration of the house, since it confirms the position we have taken from the outset and intend to take throughout this debate. It is true that Mr. Glassco's report does outline some difficulties which, in his opinion, might be inherent in government ownership of a pipe line, particularly the length of time required for the several governments interested in the project to reach agreement on the terms of a joint government undertaking.

This afternoon the Leader of the Opposition said that Premier Frost and his government had preferred another plan, and I believe that plan was indeed a plan of public ownership, a project directly undertaken by the Dominion of Canada and the provinces together.

Mr. Glassco further recommended that before advancing any money we should be satisfied that conclusive proof is available that the company is able to carry out its commitments. What we are doing is in effect considering the advancing of money in the form of a spur line across northern Ontario, and we have no assurance that the company will be able to carry out its commitments, since the carrying out of those commitments depends in large

measure upon the attitude of a foreign commission, namely the federal power commission of the United States.

It has been obvious for some time that the company would be unable to carry out its commitments before May 1, 1956, and that was confirmed by the minister this afternoon. I agree with the Leader of the Opposition that we are placed in a most undignified position when we have to depend on the result of an application before a commission in another country in order to get approval for this line.

I think this should be noted, that in the Ontario legislature the approval of the province's bill was secured because the bill was couched, as Mr. Porter said, in flexible terms. This afternoon the minister drew the attention of the committee to the fact—and it is a fact—that the bill was carried unanimously. "Flexible terms", said Mr. Porter. If I may again quote indirectly from the *Hansard* of the province of Ontario, this is what he said:

> If for any reason the present plan does not go through in its present form, or it fails entirely, the bill will permit the government to consider alternatives and advance moneys within the stated limits to further any other arrangement that may be adopted.

Because of that undertaking the bill did go through unanimously. I certainly would advise hon. members to read the debate in the Ontario house, and particularly Mr. Porter's speech on February 21 last, because I think it would be interesting and instructive.

Apparently the Progressive Conservative party in this house is not now in favour of a publicly-owned project. I noted, however, that in his introduction of the bill relating to the Trans-Canada gas project in the legislature of Ontario, Mr. Porter made very clear that the decision was entirely a federal decision. Ontario went along with it because it was a federal decision and responsibility. Again he used these words:

> This government is not opposed to public ownership where it may be suitably applied. I think our record substantiates that statement. Our view toward public ownership is not a doctrinaire attitude.

And I may say, Mr. Chairman, that neither is my view a doctrinaire attitude in the sense in which that word is sometimes used.

It has been rather interesting and somewhat surprising to me of late that the Progressive Conservative party is so determinedly opposed to public ownership, and indeed has been opposed to crown corporations established by this country. I would remind them that this is in complete disagreement with the attitude of the leaders of their party in former days. When the building of a new transcontinental railway was under discussion in the House of Commons on April 5, 1904, across very much the same territory as it is proposed to build the gas spur line by the two governments concerned, Sir Robert Borden said of that project:

> I say that the government itself should build this road; it should build it promptly.

And in the very first clause of the amendment to be made in connection with the proposal of the government of the day he placed his party on record. His amendment first outlined, of course, the aims of the new transcontinental railway, and then he said:

> In order to accomplish these results the following objects and considerations should be kept constantly in view:
>
> (a) To develop and extend the government system of railways, and to free the management thereof from party political control or interference.

In other words he wanted to see that line, which eventually did come to us, publicly-owned. Because of the circumstances in later years, this part of the line which was really the national transcontinental throughout was incorporated into the Canadian National Railway system. I say that in these words Sir Robert Borden placed the party on record in favour of a crown company to build and operate the proposed transcontinental railway.

May I remind hon. members of the Progressive Conservative party that when radio broadcasting was under discussion in the House of Commons on May 18, 1932, the former leader of the Conservative party, the late Right Hon. R. B. Bennett, who was then the prime minister of Canada, said this at page 3035 of *Hansard*:

> No other scheme than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefits and pleasures of radio broadcasting.

Then he went on to use words that are directly applicable to the present project. He said:

> Private ownership must necessarily discriminate between densely and sparsely populated areas. This is not a correctible fault in private ownership; it is an inescapable and inherent demerit of that system. It does not seem right that in Canada the towns should be preferred to the countryside or the prosperous communities to those less fortunate. In fact, if no other course were possible, it might be fair to suggest that it should be the other way about. Happily, however, under this system, there is no need for discrimination; all may be served alike.

This is truly an irrefutable argument for the public ownership of a project of this description; because of necessity the private corporation will serve the profitable areas first, and will in all probability neglect the smaller areas in between those larger centres and more profitable areas. I say that what we need is a gas pipe-line system that will do justice to those who live in rural areas as well as those who live in cities.

I know city people expect that they may be able to get gas at a lower rate than people in the adjacent rural areas. Only under a publicly-owned system can you do justice to the people in the smaller communities. If I may quote further from Mr. Bennett on the next page of *Hansard*:

I believe that there is no government in Canada that does not regret today that it has parted with some of these natural resources for considerations wholly inadequate and on terms that do not reflect the principle under which the crown holds the natural resources in trust for all the people.

The crown holds the natural resources in trust for all the people, not for a few people, not for powerful corporations that may make agreements with governments that pass away. They should be held in trust for the people of Canada, and we should not betray that trust. This is precisely the position we now take in regard to this great project. We are determined that as far as we can secure it, no government in Canada shall have need to regret in future years that it parted with those great resources on terms that do not reflect the principle under which the crown holds the resources in trust for all the people.

The Leader of the Opposition discussed the attitude of the house in 1951 when Bill No. 75, I think it was, was introduced by the hon. member for Vegreville. This was a bill to incorporate Trans-Canada Pipe Lines Limited and the mover, I believe in good faith, gave certain assurances to the house at that time. He said that it would follow an all-Canadian route. He outlined the cities that would be served both in the west and in Ontario. He assured the house that it was proposed to serve the communities along the Canadian National route from Coteau Junction to greater Montreal and ultimately along the north shore of the St. Lawrence as far as Quebec city. He went on to say that there was no need to discuss the federal act which assures control over the exportation of electricity and fluids. He said, if I may quote his own words:

It is my opinion that this act—

He was referring to the Electricity and Fluids Exportation Act.

—would have no application because all consumers will be in Canada and no gas will be exported out of Canada.

The effect which these assurances had on the house, which had been concerned about numerous proposals for pipe lines in or through the United States, was indicated very clearly by the hon. member for Vancouver-Quadra, of the Progressive Conservative party, who is here tonight, when he said at page 736 of *Hansard* of February 27, 1951:

In view of the fact that the pipe line is to serve Canada first, and in fact in this case it will serve Canada only, I for one am very glad to support it.

[Mr. Coldwell.]

He had been opposing other pipe-line proposals. The hon. member for Winnipeg North Centre, speaking on our behalf said, as reported at page 737 of the same issue of *Hansard*:

Mr. Speaker, the assurance that has been given by the hon. member for Vegreville (Mr. Decore) that the route followed by the pipe line to be built by the company covered by this bill will be an all-Canadian route makes it clear that there will not be an extended debate on this bill ....

He added, however:

. . . there are some of us in this house who regret that the government is not going into the construction of pipe lines for the distribution of gas and oil on a public ownership basis. When I say "some of us" I am happy to include the hon. member for Comox-Alberni (Mr. Gibson).

At that time he sat as an independent Liberal in this house.

While he does not belong to this socialist group, nevertheless he has taken the same position on former occasions.

Other hon. members of the house spoke along the same lines in support of the bill, because we understood it to be an all-Canadian pipe-line project entirely in Canada and under the control of Canadians. I bring this to the attention of the house, because at that time the principle of the bill was clearly believed to be that of an all-Canadian project with an assurance that the gas available would be utilized at all points across Canada including Montreal and the city of Quebec.

As the Leader of the Opposition noted this afternoon, when the bill was in committee Mr. Frank A. Schultz, vice president of the parent company, reiterated this assurance before the House of Commons committee on railways, canals and telegraph lines. On March 6, 1951, at page 10 of the minutes of proceedings and evidence of that committee, he said:

The second consideration was that it should be an all-Canadian project, that it would be Canadian gas transported over an all-Canadian line, and that 100 per cent of the consumption would be in Canadian cities.

We now have before us a proposition which is largely dependent on the verdict of the federal power commission of the United States of America, which is in effect a line to Emerson, with a spur line across northern Ontario to serve eastern Canada and having a smaller volume than the line which will go to the border of the United States.

When the bill came back to the house on March 9, 1951, there was a short debate because hon. members had heard witnesses testify with all confidence before the committee that the pipe line would be constructed as an all-Canadian project serving Canadian cities and with no export of gas to the United States, at least until Canada's own cities,

communities and needs had been fully served. No mention was made at that time of any need of financial aid from the government of Canada.

Today we have a resolution before us which differs in its entirety from the original considerations upon which parliament approved the Trans-Canada pipe-line proposal on March 9, 1951. Today the company demands substantial public funds and the export of gas for United States companies at which I believe, when investigated, will prove to be distress prices. Contrary to the expert opinions supporting the company's proposals in 1951, we are told that the project cannot be undertaken unless substantial quantities of natural gas are exported to the United States and unless the Canadian and Ontario governments finance the 675 miles of the spur line, for such it is, across northern Ontario.

I say to hon. members of this house that we should not approve this proposal at this time, that the government should reconsider the proposition in its entirety and should build this line as a public utility. The provinces should distribute the gas throughout the provinces by any means they might suggest. I take it that most of them would do so through a public corporation, just as is done with electric power in the provinces of Ontario, Manitoba, Saskatchewan and Quebec to a large extent at the present time.

We want to see a public utility. If the federal government does not feel inclined to undertake it by itself, then let it do what was suggested by the premier of Ontario on one occasion. That is to say, let a joint undertaking be established between the governments which are interested in this project, including the federal government. Let us not think it would be wise or sound to allow this to slip through our hands today and fall under the control of these powerful interests which have been under fire in the United States for years, and one of whose latest attempts was vetoed by the President of the United States in recent weeks.

I believe we have no right as a parliament to alienate this great resource to the control of a corporation over which we have no real control. The minister said this afternoon that 51 per cent of the stock would be sold in Canada. We have no guarantee that Canadians would own it, and he admitted this today. We have no guarantee that the Canadian people will own that stock. When it is placed on the market it might be bought by anyone. In any event the real control, the real power, is in the hands of these three great United States gas and oil companies which somehow or other have persuaded our government to bring into this house what I believe to be an improvident deal.

Last year we had before the external affairs committee and before parliament a suggestion from the province of British Columbia for the alienation of a great water resource, the Kaiser deal, which proposal was turned down because it was believed to be improvident and that the government of British Columbia was making a deal not in the best interests of all Canada. If that was true of the Kaiser project on the Columbia river, and I believe it was, it is equally true in connection with this great resource which can be used in another country to a large extent to process the raw materials which I think we are sending there in too great quantities at the present time.

Mr. Hansell: Mr. Chairman, while I am going to be somewhat critical of government policy in respect to this bill and related matters, I want to state at the outset that we in this corner of the house will support the resolution. We may be critical of some parts of the bill, but I cannot say in what way until the bill comes down.

I listened with interest to the policy speeches by the representatives of the other two opposition groups who have preceded me. When the Leader of the Opposition spoke this afternoon I picked up my pen to take some notes, thus indicating that I intended to comment upon what he was saying, perhaps at times critically and at other times in commendation. However, I found that I could not quite focus my attention in order to make my criticisms or commendations logical in form, because it seemed to me that the Leader of the Opposition, like a jack rabbit, jumped from one corner to the other and I could not quite keep up with him. I felt that I wanted to sing that old familiar chorus, "Around and around and around she goes, and where she stops nobody knows."

However, I do want to say that with respect to his view and that of the leader of the C.C.F. party as to foreign investment, I find myself in at least some agreement with them in their criticism of government policy. Before entering into that, if I might refer to my scratched notes, I do not think we should let go by the statement made by the leader of the C.C.F., when referring to what the right hon. Minister of Trade and Commerce said this afternoon, that Mr. Manning indicated that they would not agree to the setting up of an all-Canadian pipe line except with a proviso. The leader of the C.C.F. seemed to seize upon that. He said he was quite surprised that any proviso should have been insisted upon by the premier of the

province of Alberta, because to him that was surely selling out Canada to some other country.

If you took that statement alone it might be damaging, but you cannot do that because no premier of any province is going to make a proviso without some explanation. The Minister of Trade and Commerce did not give it; the leader of the C.C.F. did not give it, for perhaps the good reason that he did not know what conditions might be involved in that proviso, and I cannot give it because I do not know. I do not believe that statement should be left hanging in the air. If Mr. Manning did make any proviso at all I am quite confident that he had some reason for doing so, and it was not that he intended to sell out Canada to any other country. I say to you that Mr. Manning ranks at the top as a loyal Canadian, loyal to Canadians and to Canadian interests.

In respect to foreign investment, I think we will all admit that one of the best things that could happen would be to have the money invested in this all-Canadian pipe line be in the form of Canadian capital. I think we all agree with that; but if we cannot get Canadian capital to construct and develop this pipe line there is only one reason why. I lay the blame for that at the door of the present government of Canada, which has pursued a financial policy which does not encourage Canadians to invest their money in ventures of which they cannot altogether see the result.

I picked up the *Financial Post* for March 17, and on the front page I find this headline, "Dependence on U.S. Goes on Growing." I did not have time to read the whole article as I picked up the paper only a few minutes ago, but in the second section I find this headline, "How We Are Paying for Our Prosperity." Then there was this subheading spread across a couple of columns, "We Are Selling Off Assets to Foreign Investors." If that is so then it must be because the government have pursued certain financial policies which have not encouraged large scale investment of Canadian capital.

When the royal commission on Canada's economic prospects was sitting in Alberta the government of Alberta presented a brief. After Mr. Manning had presented this brief on behalf of the province a question arose as to the amount of United States capital that had come into Alberta to develop the oil and gas industry. The total was an astounding amount. I must trust to my memory for this and also to newspaper reports, because we have not had the printed evidence as yet. Mr. Manning said the same thing I am saying now, that the reason United States capital came into this country to help develop the oil and gas resources of Alberta was that the financial policies of this government did not encourage enough large scale capital investment of Canadian funds.

A recent copy of the proceedings of the committee on railways, canals and telegraph lines contains an astonishing piece of evidence. This was not in connection with a pipe line, it was in connection with another bill then before the committee under which a Quebec concern wishes to build a railroad in that province. They had wanted to get money from various investment sources to build the railroad, and during the course of the proceedings the hon. member for Edmonton East asked the witness this question:

> How do you intend to finance your line? Can you tell us?

I shall read only part of the answer, breaking in at the middle:

> I regret to say that Canadian insurance companies were offered the first "crack" at it but unfortunately we only had four who would participate. They felt that the development of the north country was not properly justified so the bulk of our money came from American insurance companies. Canadian companies were offered the first chance. That was a blow to me. I am a Canadian.

Listen to that. Are we going to sit here and say that United States insurance companies and Americans generally are more willing to gamble on the future of Canada than Canadian investors? Something must be wrong, and I will say that one thing that is wrong is the taxation policies that are imposed upon companies by this present government. Further on in this evidence before the standing committee on railways, canals and telegraph lines the following questions were asked by the hon. member for Lambton West:

> Q. To what extent did the Canadian insurance companies participate?
> A. $2 million.
> Q. Out of how much?
> A. Out of $145 million.

Now just imagine that. Who is to blame for this picture? The only answer I can give to that is the financial policies of the present government. But let us not let it rest at that. Let us ask this question. What would happen to the development of industry and our natural resources in Canada if it were not for United States capital coming in here to develop them? My hon. friend from New Westminster has said that this government does not accept Social Credit methods, because we have been urging for 20 years that they accept them. If they did, perhaps there would be more Canadian capital to be invested in the future of Canada. United States capital has come in to this country and has taken a chance on the future development of this country. We talk about a pipe line. What is the use of having a pipe line if there is

no gas to put in at one end and come out at the other? The investment of United States capital in Canada has been very largely responsible for the development of the gas and oil industry in Canada. Furthermore, I think the same thing can be said of the oil and gas development, as far as it has gone, in the province of Saskatchewan.

An hon. Member: The provincial Saskatchewan government—

Mr. Hansell: That is true. My friend admits that it is true.

Mr. Coldwell: I shall give the reason, if you like.

Mr. Hansell: I know the reason. It is because you cannot get the capital in Canada. Another reason is that the Saskatchewan government, though a socialist government, will not socialize the oil and petroleum industry. Of course they will not do that. Why? Because they know that private capital is the one source that will develop that industry; because they believe there is a future in Canada and, I will say, a future in the oil and petroleum industry of the province of Saskatchewan. I am not blaming the premier of Saskatchewan for taking the tack he has taken. I believe he has taken the right step in that respect.

Let private industry develop our natural resources. There is no reason why private industry should not also be allowed to develop the transmission system for carrying these natural resources throughout Canada. I am quite certain of this. We can talk all we like about United States capital coming into Canada, but you cannot have it both ways. Do we believe Canadian capital should be invested abroad? I am quite certain people would not say negatively that we should not invest Canadian capital abroad. What is sauce for the goose is sauce for the gander. You cannot have it both ways.

Furthermore, I am quite certain that the province of Saskatchewan would not place any embargo on the capital investment of United States dollars for the development of their natural resources in that province. We must be consistent all the way. Otherwise our gas and oil industry would not have been developed to what it is today, a real going concern. Wherever I go in Canada I begin talking in a sort of exalted fashion about our Social Credit government in Alberta, and what do I hear? "It is not the Social Credit government; you see, they have so much money out there."

An hon. Member: So much oil.

Mr. Hansell: Sure we do.

Mr. Ellis: Who put the oil in the ground?

Mr. Hansell: This is what I am trying to tell you. What makes the province wealthy? It is because United States capital has come in there to develop it. The picture would have been a much rosier one if the financial policies of this government had been of such a nature that that wealth could have been the result of the investment of Canadian capital. I shall go so far with my hon. friend from Rosetown-Biggar and the Leader of the Opposition.

There is another matter to which I should like to refer. We deplore perhaps the fact that 51 per cent of the shares are going to be offered to Canadian investors and that 49 per cent of the shares will perhaps go to the United States. That really is no criterion at all, because there is no way of controlling the shares after they are sold on the market. You could sell the whole of them to Canadian investors if Canadian investors would take them. The next day or a few days after, or at some subsequent time, United States interests could buy those shares, because we have enough freedom in Canada to permit a person to sell his shares to whomsoever he wishes. So that is no particular criterion.

Those are my criticisms. Now I do want to lay down something of the policy of this group in respect to the present measure.

Providence was very kind to the province of Alberta. She placed vast stores of natural gas beneath Alberta soil in widely scattered fields. The presence of these stores of gaseous fuel has been known for many years, and for quite a long time a number of Alberta cities and towns have been making use of natural gas for domestic and industrial purposes.

The city of Medicine Hat, for instance, was one of the earliest users of the gas supplies to be found at rather shallow depths right within the limits of the city itself. Many industries were built as a result of this, because all those industries had to do was dig a pothole and the gas would come forth almost from the surface of the earth and supply those industries with light, heat and power.

I recall that in the early days in my own constituency—I happen to have the Turner valley oil fields in my territory—what was known as the discovery well blew its top and, in order to get the gasoline from that well, they had to shoot huge flares into the river. It was astounding; it was staggering. People came from all over to see that gas being burned in the air, billions and billions of cubic feet of it. They used to call it hell's half acre. The flares used to go up day and night, 24 hours of the day. Why, at midnight the skies would be just like sunset

from the reflection of these flares. What was it? Gas burning and going to waste in the air; that is what it was.

I tell you it was cruel to think that our natural resources should be wasted like that. Why, there was enough gas going to waste in those days to have provided power and heat for all the cities of Canada for generations to come—yes, sir; just in a few years. It was only after the adoption and implementation of very wise policies of development and conservation by the present government of Alberta—

Mr. Blackmore: Social Credit.

Mr. Hansell: —that systematic exploration took place which led to the discovery of huge reserves of natural gas in practically all parts of the province. These reserves have grown with the development of the whole industry until they are far and away beyond the present and future needs of the people of Alberta, perhaps for 50 to 75 years to come. The best scientific brains that have been applied to the problem say that if wise policies governing marketing, conservation and further exploration and development are continued it would not be unreasonable to expect the reserves to increase by a trillion feet a year for the next 10 years.

However, if this addition to the now known gas reserves is to take place, a satisfactory market for gas surplus to the needs of the people and industry in Alberta must be found. When I say a satisfactory market, I mean one that will return to the producer at the wellhead a price sufficiently attractive to stimulate continued exploration and development. I am sure hon. members realize that oil and gas exploration is a costly business as well as a risky one, and unless expected returns for the risk and the work are fair then further exploration and development will not take place and Canada will be the poorer as a result.

Another point that should be kept in mind as we approach consideration of this measure, which will provide authority for the government of Canada and the government of Ontario to build a pipe line from the Manitoba border to Kapuskasing, Ontario, a line to be leased to Trans-Canada Pipe Lines, is that in Alberta natural gas is often the lifting power by which crude oil is brought to the surface. Consequently, as oil is produced gas is brought with it from the depths. Some of that gas can be turned into the pipe lines of the province to supply domestic and industrial needs in the towns and cities, or some of it can be pumped back into the earth in what is known as repressuring to bring further supplies of oil to the surface. Repressuring of many fields has been going on in Alberta for many years. However, not all of the gas which is surplus to the needs of the Alberta people can be used for repressuring. Therefore it is urgently important that the proper market be found for it.

The Social Credit government of Alberta realized five or six years ago that export markets would have to be found for the surplus gas of this province if colossal waste were to be avoided. That same government set up the Alberta petroleum and natural gas conservation board and charged it with the responsibility of applying strict conservation methods so as to reduce gas wastage to the absolute minimum. Any student of the situation knows that the board and its methods have been eminently successful; but in the process oil production has been severely restricted compared with what it could be if a satisfactory market were available for the gas produced in bringing oil to the surface.

We all know that Canada is not yet self-sufficient in oil. We are dependent upon foreign countries, mainly the United States, for a large part of what we use in Canada. To buy those needed imports requires precious foreign exchange that is often in short supply. Our trade deficits with the United States are getting larger year by year. Everything ought to be done to bring Canada as soon as possible to a position of self-sufficiency in oil production. Experts say that is possible within a few years. I say it is highly desirable and urgently necessary if we are to achieve national security and the maximum of strength in times of international strife and dislocation.

But, Mr. Chairman, if we are to become self-sufficient in the world we must get good markets for our natural gas, and that without delay. Already there has been too much delay. It is obvious to us at least that precious time has been frittered away by useless bickering for political advantage. What is desperately needed now is action and wisdom, and a sincere desire by all parties to get down to brass tacks in the matter of finding and applying the very best way of providing a market for our surplus natural gas, one that will best serve the people of Canada as a whole and at the same time return to the producers a fair price for their labours and the risks involved in finding and developing the gas resources.

Now, what is our Social Credit position on this resolution? We think no time should be lost in getting before the house the bill which the resolution precedes. No useful purpose

can possibly be served by prolonging debate at this stage, especially academic or politically slanted debate. On the contrary, extensive debate could only result in unduly prolonging the gas waste which is now going on incidental to oil production, a waste calculated to be in the neighbourhood of a billion cubic feet per week. Some of that, of course, cannot be avoided. Much of it could be if we had a pipe line to carry the gas to an export market either in other parts of Canada or in the United States. We in this corner would not like to have on our shoulders the responsibility for causing valuable fuel to be burned in the air as flares because there was no place to put it to good use. I want hon. members to realize that this is one of the important things at stake at the present time.

We in this group, I might say particularly we who represent Alberta constituencies but we as a whole, would like to have seen Canadian and northwestern United States markets made available for our surplus gas. That, together with Montana territory and adjacent places, because these places are immediately to the south of us, and the midwestern United States, are the natural geographical market for Alberta gas. However, this government decreed that there would be no export permits granted until the eastern Canadian needs were first served.

The government of Alberta and the Social Credit group in the house have always supported a Canada first policy. We think that is wise; we think it is only right. In fact, I might say that Mr. Manning of Alberta issued a statement some time before this government made its natural gas policy public, in which he declared that any gas exported from the province of Alberta should first go to serve the people in other parts of Canada if they want it and if it is economically feasible to get it to them.

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

Mr. Hansell: Mr. Chairman, I wonder if I might—

Some hon. Members: Carry on.

The Chairman: Has the hon. member unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Hansell: Thank you, Mr. Chairman and gentlemen. When the present government declared its policy, we were ready to go beyond regional desires and look at the whole problem of gas export from the broader national point of view. I refer to the export of gas from Alberta. It should be pointed out that when this federal government declared there would be no export permits issued until eastern Canadian markets were first served, it severely complicated the financing of a pipe line from western Canada. The most careful and detailed studies of the whole situation had convinced most economic investigators that no pipe line could pay off unless the visible eastern Canadian market could be supplemented by substantial markets in the United States, especially during the first seven to ten years of the life of the pipe line.

In a sense it can be said that the government ignored the economics of the pipe line in order to give priority to the Canada first policy. It is therefore true to say that the whole of the present situation arises out of this Liberal government's policy. The government having created the difficulties, we think it is the responsibility of this present government to provide some help to the constructing company in order to ensure successful financing of the huge undertaking. It would be most unfair and unjust to make the producers of natural gas pay the cost of the government's economic blunder. We believe that the bill which will follow this resolution will provide the necessary assistance to ensure successful financing of the pipe line.

We support the Canada first policy, although our producers could have found a much more lucrative market in the United States. We are ready to accept this government's natural gas policy although not without criticism. At the same time, however, we are earnestly seeking a way to get fair returns for our gas producers in the provinces. We are convinced that the government's policy can be successful for all concerned only if the eastern Canadian market supplied by an all-Canadian pipe line is supplemented by some markets in the United States served by the same pipe line. Otherwise it would appear that there is bound to be a big loss on the all-Canadian line, and either the producers or the people of Canada generally may be called upon to foot the bill.

I have only one short paragraph left to conclude my speech. Before reading it might I say that under some circumstances, perhaps we would not be altogether unfavourably disposed to the all-Canadian pipe line being under some government supervision—a crown company or something of that kind—if private enterprise failed to accomplish it. In that respect I should like to read from our national manifesto just one paragraph of a section which we have captioned "Public Utilities and Monopolies":

> The Social Credit association of Canada believes:
> 1. The government should be prepared to establish a public utility only where individual enterprise has

failed to provide, or from the circumstances cannot provide, adequate services at reasonable cost, the utility or service to remain a government enterprise only until the changed situation warrants private development.

What does that mean? It means simply this. As a Social Credit principle we believe in individual enterprise. We believe in private enterprise. We believe in the private enterprise system. But if in the national interest private enterprise cannot do the job, we believe there can be some reason for a government-owned pipe line until such time as private enterprise can take over.

In conclusion, Mr. Chairman, may I say that I think I will let the matter rest at that point for the present. We may have something further to say at a later stage. I suppose that some of my colleagues will want to enter into the debate, perhaps at the moment. We will support the resolution in the hope that it will facilitate getting the bill before the house.

I believe the minister should send the bill to the appropriate committee—and no doubt he will do so—where witnesses of one kind and another can be brought to give evidence in respect of finance, Canadian investment or foreign investment, costs, procedures and what not. I believe the government should send the bill to the committee where a complete investigation can be made of it, so that interested parties can come and lay their case before the committee. Those in the opposition as well as on the government side will have their chance there to question those witnesses. I hope the minister will give us the assurance that the bill will be sent to the appropriate committee.

In the meantime I would appeal to all hon. members not to delay the passing of this resolution. If anything is to be done by way of starting the construction of a trans-Canada pipe line this year, a bill providing some assistance to the building company will have to be through this parliament within the next few weeks.

Mr. Coldwell: Mr. Chairman, I rise on a point of order. It is extremely awkward for a member to rise and object to an extension of time, but there are some of us in this house who keep our eye on the clock and try to end at the appropriate moment. In fairness, I think the rules should be enforced. I am not criticizing my hon. friend. He asked for the extra time. It was given to him. That is all right. But if we are going to have rules in this house, I think they should be enforced. Because we do not like to deny a colleague the opportunity of extending his remarks for another ten minutes, those who try to keep within the limit are in reality discriminated against.

I suggest, Mr. Chairman, that you do not ask whether the house will give permission. The situation was different with the minister this afternoon. If I may just intrude for one moment, may I say that I think it is an extremely anomalous position in connection with this rule that the minister introducing some measure in the committee is limited to 30 minutes, whereas the Leader of the Opposition—and I am not making any criticism of him—has unlimited time. The rest of us are limited to 30 minutes. I think the rule needs changing in respect of the minister introducing a resolution. However, I believe that the chair should not ask the house for an extension of time.

Mr. Hansell: Mr. Chairman—

Mr. Coldwell: I am not critical of you.

The Chairman: Order. I am somewhat glad that the hon. member for Rosetown-Biggar raised this point of order, in view of remarks which several hon. members made to me following my action this afternoon in interrupting the Minister of Trade and Commerce at the expiration of 30 minutes and, at the same time, allowing the Leader of the Opposition unlimited time. It became apparent to me that some hon. members did not apprehend the change which had taken place in the rules by which the members of the house and myself are bound. The present rule in committee is the following, standing order 59, paragraph 3:

No member, except the Prime Minister and the Leader of the Opposition, shall speak for more than 30 minutes at a time in any committee of the whole house.

By unanimous consent the Minister of Trade and Commerce was extended permission to exceed that time this afternoon. The Leader of the Opposition, by right, exceeded 30 minutes this afternoon. This evening the hon. member for Macleod was interrupted by myself at the exact expiration of 30 minutes. Some hon. members then said, as I thought I heard, "Let him go on", and in accordance with past custom, I then asked hon. members if the hon. member for Macleod had unanimous consent, and I understood that that consent was freely granted. I hope these few remarks will clear up that situation.

I again draw the attention of hon. members, as the hon. member for Rosetown-Biggar has done, to the provisions of the new rule as set forth in standing order 59, paragraph 3.

Mr. Hansell: May I offer one comment only. Since we do not debate the resolution when the Speaker is in the chair, perhaps some leeway could be given to leaders of the other groups.

Mr. Coldwell: No.

Mr. Hansell: The hon. member for Rosetown-Biggar says he does not think so. I will remind him, and I do not think I am wrong, that he took as much time as I did.

Mr. Ellis: Absolutely not.

Mr. Coldwell: I was one minute under my time. I took 29 minutes.

Mr. Hansell: I think my hon. friend was through at twenty-nine minutes past six and he started at—

Mr. Coldwell: Twenty minutes past eight.

Mr. Green: Mr. Chairman, taking part again in a first class pipe-line debate brings back many happy memories of the filibusters of a few years ago. I am sure it would be much more exciting if we had the former member for Fraser Valley, Mr. George Cruickshank, here to participate.

As hon. members know, the main objective of our filibustering at that time was to sell the idea to the house and to the Canadian people that there should be a Canada first policy adopted in regard to these pipe lines, both for oil and natural gas. I suggest that the public have now been sold, but I am not so sure that the Minister of Trade and Commerce and his colleagues have yet seen the light; hence the need for further debate on this particular measure.

This resolution stage with the house in committee is the time to consider the government's general proposal and to have a clarification of that proposal by way of question and answer. I point out, Mr. Chairman, that this particular measure before us tonight is important, far-reaching and very unusual. It calls for an exceptionally thorough examination.

The proposal in brief is to set up a crown company, to be known as Northern Ontario Pipe Line Crown Corporation, whose duties are listed as being to construct, maintain and operate a natural gas pipe line from the Manitoba boundary to Kapuskasing in the province of Ontario, a distance of 675 miles. This pipe line is to be of 30-inch diameter; it is to cost approximately $117,633,000, and there is power to borrow given to the corporation up to a total of $130 million. In addition, power is given to this crown corporation to lease the line for 25 years to one certain company, Trans-Canada Pipe Lines Limited, who plan to build from Alberta to Winnipeg a pipe line 34 inches in diameter; and from Winnipeg to Emerson on the United States boundary a pipe line again of 34 inches which, I point out, is 4 inches larger than the pipe line to eastern Canada. They also propose to build a pipe line from Winnipeg to connect with the government line at the Manitoba boundary, and then from the end of the government line to the vicinity of Toronto, and a smaller line 20 inches in diameter from Toronto to Montreal. The cost to this private company is supposed to be approximately $257,367,000, making the total cost for the whole pipe line, government owned and privately owned, $375 million.

I point out that the government is building the most expensive and the least remunerative portion of that line. One of the significant features of the resolution is that the crown corporation can lease only to Trans-Canada. That means that Trans-Canada is in a very preferred position. I suggest it can properly be described as the chosen instrument of the government in this development.

The first question I would like to place before the minister for answer when he replies is why general power is not being taken to lease rather than the power to lease to one company only. If the general power were taken, then an agreement could be made with any other group, and it may very well be that in the final analysis Trans-Canada Pipe Lines Limited will not be able to complete their part of this pipe line.

The next feature to which I wish to refer this evening is the agreement between the government and its chosen instrument, dated November 21, 1955. Under that agreement there is an obligation on the government to build the 675 miles of pipe line, but only if and when the company proves financial ability to construct its portion of the line. That is contained in paragraph 3 of the agreement, which reads:

> If evidence satisfactory to the government of Canada is presented by Trans-Canada before May 1, 1956 that it has arranged for financing of all the costs and commitments in connection with the said program of construction, the government of Canada will cause the said crown corporation to acquire the said right of way and construct—

—this 675-mile pipe line. After listening to the minister's speech this afternoon I take it that this provision still stands, in other words that the company must prove financial ability. It is understood—it has been understood throughout—that this financial ability hinges on a permit from the federal power commission of the United States to import 200 million cubic feet per day at Emerson—

Mr. Howe (Port Arthur): That is not true.

Mr. Green: —and to export at Niagara 90 million cubic feet per day. The minister says that is not true. I have here a copy of the

minister's letter to the company dated September 28, 1955. The last paragraph of that letter reads as follows:

> For the Emerson export, Tennessee must obtain an import permit from the United States government. When this has been issued, action will be taken by the Canadian government under the Exportation of Power and Fluids and Importation of Gas Act to authorize the export at Emerson, Manitoba of 200,000 mcf of gas daily for a period of twenty-five years from the date of the first delivery of gas.

That would appear to indicate that the company cannot get their permit for export from the minister until they have received a permit from the federal power commission.

Mr. Howe (Port Arthur): That is right.

Mr. Green: I have here reported statements of Mr. Tanner, the president of the company, to the effect that the financing of the company depended on this permit from the federal power commission.

Mr. Howe (Port Arthur): Read one or two of those statements.

Mr. Green: I have here a press report of February 25, 1956, quoting Mr. Tanner.

> Mr. Tanner said there was no possibility of getting FPC approval of the application before April 30, the date the company was to satisfy the conservation board of its ability to finance the project.

The following words are in quotations:

> "If we can get FPC approval of the application, that's all we need to complete our finances".

I also have a report of the speech made by the minister himself in Toronto, as reported in the *Globe and Mail* of January 31, 1956. The statements are not in quotation marks and may not have been taken word for word from the minister's speech:

> Financing of Trans-Canada's portion of the all-Canadian line hinges on success of the application—

That is the application before the federal power commission.

Mr. Howe (Port Arthur): My hon. friend has a copy of my speech. Did he find that in it?

Mr. Green: I did not claim that; I am merely saying it is in this report.

Mr. Howe (Port Arthur): That was not in the speech. What difference does it make what is in the report?

Mr. Green: I am obviously going to be limited to 30 minutes and I do not want all these interruptions. Let me get on with my remarks. The report continues:

> —and the agreement of the Canadian and Ontario governments to build the northwestern Ontario section stipulates that Trans-Canada must arrange finances for its entire construction program by May 1.

In any event it is perfectly obvious that there is to be no federal power commission permit granted by May 1. Today the minister intimated that he would now give an extension of time to this company. He did not say how long the extension would be, but he indicated he would give an extension of time beyond May 1. He did not say whether the federal government proposed to start with the 675-mile portion of the pipe line right away without waiting for Trans-Canada to show financial ability.

I think that is one point the minister should clear up. He should also make clear whether this company can finance without obtaining a permit from the federal power commission. No indication has yet been given that the company can do so. If it can not, and if the minister is going to start out with the line regardless of whether or not the company proves financial ability, that will be in effect putting up the taxpayers' money in partnership with Trans-Canada in a gamble that the federal power commission will issue a permit. I point out that if that gamble is lost Trans-Canada is unlikely to take over that 675-mile portion from the crown corporation, and probably the taxpayers will have to put up more money because the government will have been committed and will have to bail Trans-Canada out of trouble.

I point out, too, that basing the plan on a permit from the federal power commission is extremely dangerous and risky, for we know there has been strong opposition before that commission. We read that there has never been a more bitterly contested application before the federal power commission. There is bound to be a long delay. We on the west coast know that because Westcoast Transmission Limited had a delay of several years. Also the federal power commission will in effect have a veto down through the years. Despite the fact that the commission may grant a permit, United States law is such that they could interfere at any time in the future.

I would like to repeat the words spoken by my leader this afternoon that there should be no depending on the federal power commission which is a board in a foreign country set up to protect the interests of that country. The minister himself indicated what should be the proper attitude of the house toward the board when two days ago, in reply to a question referring to the proceedings before the federal power commission, he said, as reported at page 2073 of *Hansard* of March 13:

> I would not care to comment upon judicial proceedings in another country.

Mr. Howe (Port Arthur): Then why do you do it?

Mr. Green: That is just how much we should depend on permits granted by the federal power commission. Canada is not so small and weak that she must put herself in that position. Also I suggest that going to the United States, hat in hand, as it is in this case—

Mr. Howe (Port Arthur): We do not go to the United States. The government of Canada has no application before the United States.

Mr. Green: Trans-Canada Pipe Lines has.

Mr. Howe (Port Arthur): No, it has not.

Mr. Green: Mr. Chairman, I must ask you to ask the minister to keep still while I am speaking.

Mr. Howe (Port Arthur): I am spoiling his speech.

Mr. Green: Canada is going to the United States hat in hand. Canada has been put in a poor bargaining position in this matter. The matter should have been handled in such a way that the United States would come to us for our surplus gas. When Canada gets in that position, then she will be able to sell her gas and sell it at a proper price.

What is the plan of action if the federal power commission does not grant the permit, or if the Trans-Canada plans fail? The minister made no announcement about that this afternoon, and the house is entitled to know what alternative plans there are. The minister was asked about it in Toronto at the time he made the famous speech I referred to a few moments ago.

Mr. Howe (Port Arthur): Why don't you read from the speech?

Mr. Green: Oh, it isn't worth reading.

Mr. Howe (Port Arthur): The hon. member likes to read the *Globe and Mail.*

Mrs. Shipley: The hon. member appears to have studied it.

Mr. Green: The report says:

> The provincial government is aware, however, that Trans-Canada might not be able to carry through its part.

The minister adopted this as his own explanation.

> In this event new ways of attaining the same end will have to be investigated.

Well, it is long past the time when new plans should have been investigated and this house should have been told about them today, instead of being left completely in the dark.

The minister said this afternoon that this is a great new Canadian scheme. Actually it is only part of a much larger scheme designed primarily for the United States by Tennessee Gas. Piping gas to eastern Ontario is a side line. Originally Trans-Canada Pipe Lines Limited did have an all-Canadian policy, and as has been explained earlier they had no intention of building any side lines to the United States. Then this enforced amalgamation by the minister occurred between Trans-Canada Pipe Lines and Western Pipe Lines, and after that had been done the plan in reality was still a Canada first plan, although provision was made for a similar pipe line leading off to the United States to pipe 150 million cubic feet a day.

Now, of course, the figure for Tennessee Transmission is 200 million cubic feet a day with a possible additional 200 million cubic feet. The price was to be 34 cents at 100 per cent load factor at the United States boundary, and that price should be borne in mind.

Mr. Howe (Port Arthur): Nonsense.

Mr. Green: Last year other variations were mentioned, but a few weeks ago this drastic change was announced. We now have a Tennessee Gas Transmission plan. It is no longer a Trans-Canada plan or a Canada first plan. We now have a Tennessee Gas plan. That company got into the picture back in 1955. Now Gulf Oil, which raised so much trouble last year with the minister, which vetoed one of his plans, are in the picture, as are Continental Oil. Those three large United States companies now control Trans-Canada.

The minister has said that shares are to be offered to the Canadian public. He might have gone on to point out that even though several thousand individual Canadian shareholders bought up to 51 per cent of the shares, which is most unlikely, there would be no possible chance that they could overrule these three great United States companies—the Delhi company is also a United States company—working together as a closely knit unit. It is absolutely fantastic to suggest that private Canadian shareholders would have the slightest chance of controlling the company. Control rests with these United States companies and it is going to remain there unless the government makes some change in its policy.

Gas entering the United States at Emerson will be carried by a 34-inch line, larger than the line to the east.

Mr. Howe (Port Arthur): That is not true; my hon. friend makes fantastic statements.

Mr. Green: The price is to be approximately 25 cents, whereas earlier it was to be 34 cents. These three United States companies

are not in Trans-Canada Pipe Lines for their health; they are not in it for the benefit of Canada; their major interests are in the United States. They have not the same incentive that a Canadian group would have to develop and expand in Canada, and they are being relieved of the real pioneering job in this development, the construction of the worst part of the line through northern Ontario.

There is grave danger that the plan will mean that Canadian gas will be sold at such a price in the United States as to enable United States users to undercut Canadians. I would point out that the St. Lawrence seaway will be completed shortly, and Toronto will be in direct competition with Chicago in many fields. Is Chicago to have the benefit of Canadian gas being sent to the United States at lower prices than it can be obtained for in Toronto?

It is bad enough without the government being involved. We had an example in the west when permission was given to pipe gas down into Montana to the Anaconda copper mining company. Mr. Wilson, the then United States secretary of defence, put on the pressure to have this permission granted in a hurry. A bill incorporating the company was rushed through this house and provision was made for the United States to get this gas. Then the federal power commission would not let it come in until over a year had passed, but eventually this smelter was able to get its gas at about one-third what it had been paying for fuel before. That company is in direct competition with the smelter at Trail whose production of lead and zinc is subject to a tariff when entering the United States. The Anaconda people are trying to get that tariff increased even more. This situation is much worse with the government financing this scheme.

In conclusion, Mr. Chairman—

An hon. Member: You have nine minutes.

Mr. Green: Apparently I have gone too fast. It is a terrible mistake to waste time like that.

The government's proposal is just one more step forward toward an integrated North American economy sought by many of our Liberal friends, particularly by the Minister of Trade and Commerce. The minister is a great advocate of an integrated North American economy. I sometimes wonder whether he knows that there is such a thing as a boundary line between Canada and the United States.

This is only one example. We had the same thing with iron. We were told in a committee the other day that this year between 8 and 9 million tons of iron ore were to be dug out of the mines in northern Quebec and Labrador to be shipped to the United States without being processed in any way, and the total production is to be something like 12 million tons.

Mr. Lesage: You had better complain to your friend Mr. Duplessis.

Mr. Green: We will deal with the minister at a later stage.

Mr. Lesage: I am dealing with you now.

Mr. Green: There was just one more example, iron ore being shipped down to the United States and then brought back to Canada in finished form after it had been processed by United States industry and United States workmen. It is the same with our trade under the Minister of Trade and Commerce. Last year 60 per cent of Canadian exports went to the United States, while 73 per cent of our imports came from the United States. The end result of an integrated North American economy policy might very well be to make Canada economically a vassal state.

Conservatives believe that the nation must be controlled in Canada by Canadians. We do not believe that the destiny of this nation should be decided in head offices in New York, Cleveland, Texas and California, yet under this plan being brought forward today by the Minister of Trade and Commerce the biggest step that has ever been taken is being taken in that very direction.

Mr. Zaplitny: Mr. Chairman, as the leader of our party stated in his address this afternoon, we consider this debate to be one of the most important during the present session of parliament. The resolution introduced by the right hon. Minister of Trade and Commerce and now before the committee purports to be for the purpose of assisting in the bringing of gas to eastern Canada. What we have heard this afternoon so far makes one wonder just what effect it is going to have.

I have seen where some United States publications have referred to the Minister of Trade and Commerce as America's gift to Canada. When we consider what they are getting under this legislation I am inclined to think that it is the better deal. After what we have heard this afternoon it is quite clear that if this legislation goes through it will have the effect of setting up a monopoly for the transportation of gas which will not even be owned by the Canadian people. It would be bad enough for the government to be assisting private monopoly in this country under any circumstances, but when the

government is taking steps to assist in the setting up of a privately owned monopoly which is going to be controlled by finances outside the country it is that much worse.

I am glad that at least the leader of this party has set before this committee and this country a constructive and clear-cut proposal as an alternative to what the government is proposing. I have no desire to get into any dispute with the Leader of the Opposition about his remarks this afternoon. They were very lengthy remarks, which of course was quite proper when he was discussing the longest pipe line in the world, but I must confess that when he was through I was not quite sure what his party was proposing as an alternative to what is now before the committee. He did review two or three different projects or plans which he thought might be considered, and he did say that under certain circumstances, if I interpreted his remarks correctly, as a sort of last resort he might be inclined to agree with the proposition of a publicly owned pipe line across Canada. But certainly he surrounded it with enough qualifications and escape clauses so that at the present moment it is hard to visualize exactly what he would propose.

The closest I could come to it would be something like this, that if this pipe line, this gas monopoly, were owned by private concerns in Canada exclusively or to a greater extent than by United States interests, then he would have no objection to it. Of course that makes the situation rather clear-cut as far as we are concerned, because I shall admit that if we have a choice as between a Canadian owned monopoly and a United States owned or controlled monopoly, we would be inclined to accept the Canadian because we are Canadians. Certainly, however, if we have to choose between a private monopoly and a publicly owned utility, we will go for the publicly owned utility. I shall give my reasons for that in a moment.

I have said that this legislation sets up a monopoly. The Minister of Trade and Commerce, in introducing the resolution today, went to some pains to point out that there is an undertaking—so far as I can see it is only a verbal undertaking, and certainly it is not part of the agreement that is attached to this legislation—that this company is going to offer 51 per cent of its outstanding stock to the Canadian public, and by that means tried to leave the impression that this would assure Canadian control of this company. I think the Leader of the Opposition demolished that argument rather effectively, in his speech today.

I might add that there is no guarantee whatsoever that even if there were 51 per cent of the outstanding stock of this company offered to the Canadian public, it would be in fact owned by the Canadian public. In the first place, if it were offered as a public issue there would be nothing to prevent United States capital from coming across the line and buying up the stock, or using Canadian subsidiaries or stooges to buy it up on behalf of United States interests. Eventually, so long as the issue of stock remains in private hands, there is absolutely no guarantee whatever, and there cannot be any guarantee, that the ownership of the pipe line will remain in Canadian hands. On that we can be perfectly clear.

We can ensure that this public utility, which in fact is going to be a monopoly, can be retained in Canadian ownership only if it remains in public ownership in the right of Canada. That is why we are particularly concerned that the government should give consideration, even at this late date, to building the pipe line as a public utility to be built either by the federal government or in co-operation with the provinces.

My own view is that we would have an ideal situation for the future if the federal government were to finance, build and own the trunk pipe line from the Alberta gas fields to eastern Canada and if the provincial governments concerned were to undertake to build lateral lines north and south in order to serve the various communities within the province, as a public undertaking. That would give an opportunity to the municipalities, the cities and towns within the provinces, to set up publicly owned utilities on a municipal basis to serve their local needs, and to be the distributors.

In that way we would have an integrated publicly owned utility which would be able to protect the public interests at every step. As it stands now, the proposed legislation favours the private interests. It fails to protect the public interest. It fails to protect the interests of the provinces and municipalities through which it will pass, and can only result in providing an advantage to United States industry over Canadian industry.

There is another reason why we believe that a publicly owned utility in this field would be in the best interests of the future of Canada. It has been mentioned in this debate that natural gas, although it is a very important source of fuel and power, is only one of the sources of fuel and power in this country. There are also oil and coal, and there will be in the future atomic energy and perhaps new forms of energy about which at the present time we do not even know. In those circumstances, surely it would be wise to have some sort of national fuel policy, some sort of integrated planning, in order that all these various forms of energy,

fuel and power could be used to the best advantage in every part of the country.

Fears have been expressed from time to time on this subject. I remember that on many occasions the hon. member for Cape Breton South has pleaded in this house for a national fuel policy because of the fact that, when different forms of fuel and energy come into competition with one another, it can only result in inefficiency and confusion so far as the fuel policy in this country is concerned. With a publicly owned utility on the basis I have described, with the trunk line owned by the federal government and provincial lateral lines and municipal distribution systems, it would be possible to set up a national fuel policy that would result in the best possible utilization, in the most efficient manner and in the best public interest, of all the various fuels that we have in this country. Unless that is done, unless some intelligent planning and foresight is forthcoming at this time, then I predict that we are going to head into the most chaotic condition possible with regard to the various fuels in this country.

In introducing his legislation today the minister gave some of the facts with regard to the agreement that has been drawn up between Trans-Canada Pipe Lines and the federal government, with the co-operation of the Ontario government. The impression might be left that the proposals upon which the agreement is based were proposals made by the company, which the government accepted because it felt that was the only way out. As a matter of fact they appear to be a set of proposals based on the proposals of the minister himself, which I refer to in a letter dated August 30, 1955, from the executive vice president of Trans-Canada Pipe Lines, Mr. Charles S. Coates, to the minister. I shall read the first paragraph of the letter. It says:

> Dear Sir:
>
> On August 2, 1955, you spoke to Trans-Canada Pipe Lines Limited on behalf of the government of Canada and after consultation with the province of Ontario to the effect that, in the interest of an early completion of the all-Canadian pipe line, the two governments concerned would be vitally interested in receiving from us a proposal, the essence of which would provide that—

Then it goes on to set out in about 11 paragraphs what would be contained in those proposals as suggested by the minister. I find a very strong similarity, almost an identity, between those 11 paragraphs and the final agreement as it was signed between the company and the government, which means that actually the government went out of its way to approach a private company to offer an agreement that, whichever way you look at it, can only be described as being favourable to the company, with all the risk being taken by the government.

The situation is simply this. As between the government and Trans-Canada Pipe Lines, it is a case of heads you win, and tails I lose. What does the agreement provide for? It provides that the company shall take a lease on this section to be built by the crown company for a period not exceeding 25 years, and pay for it as they use it. There is no guarantee whatever that the government is going to receive anything more than they put into the construction of the pipe line. In other words there is no guarantee of a profit or a surplus to the government. There is no undertaking in the agreement under which Trans-Canada Pipe Lines must buy this pipe line at a particular time. Section 7 of the agreement, which is the clause referring to the purchase of the pipe line, is in these terms:

> It is understood and agreed by the parties hereto that Trans-Canada shall purchase the northern Ontario section from the crown corporation as soon as it can arrange the necessary finances.

I should like hon. members to note the last few words, "as soon as it can arrange the necessary finances." That leaves it wide open as far as the company are concerned. It does not commit them to anything. If the pipe line turns out to be an unprofitable undertaking the company can simply say that they have not been able to arrange the necessary finances. They have been quite successful in getting away with that claim for the last four or five years, and they could certainly make that claim again. They have no commitment whatever. On the other hand, the next sentence reads:

> Trans-Canada may elect to purchase the northern Ontario section from the crown corporation at any time during the term of the lease by giving written notice to the crown corporation at least three months prior to the date when the sale is to be completed.

Here is the next sentence:

> The crown corporation will, following receipt of such notice, sell to Trans-Canada all facilities and assets comprised in the northern Ontario section of pipe line . . .

Then follow various details and terms upon which the sale will be made. That means that while the company makes no commitment to buy the pipe line should it turn out to be unprofitable the government, on the other hand, has a firm commitment to sell on the basis of three months' notice at any time. At any time, in the first year, second year or third year, whenever the company feels like it, it can purchase this section of the line in Ontario on three

months' notice and the crown company will sell to Trans-Canada Pipe Lines.

That is the most astonishing kind of deal. Here we have the government of Canada tying the hands of the crown corporation even before it has been formed, even before the legislation has been passed to bring about its formation, and saying in an agreement with a private company that the private company can serve three months' notice on the crown corporation and say that it is going to buy this section of the line and the crown corporation has nothing to say about it. Apparently the parliament of Canada will have nothing to say about it. Neither will the government of the day, unless they want to go to court and repudiate their agreement. That is tying the hands of the government of Canada, the parliament of Canada and the crown corporation set up by the parliament of Canada in advance in the interests of a private company.

That in itself would be enough to condemn this kind of legislation, because I feel that if the public treasury is being asked to advance moneys to construct a section of the pipe line, and if parliament is being asked to set up a crown corporation to own that part of the pipe line, then certainly the government has no business entering into an agreement and making a commitment with a private company whereby on 90 days' notice it can buy out the assets of the crown corporation, while on the other hand, if the pipe line is not to the liking of the company it is under no obligation whatever to buy it at any particular time. That is why I say that this is a case of heads they win and tails we lose.

There is another reason why I feel disquieted about this type of legislation and agreement, and the effect they will have on the municipalities. Several times in the debate this afternoon mention was made of the difficulties that Trans-Canada Pipe Lines seem to have had and apparently are still having with respect to raising sufficient private capital to build the pipe line. It would appear that because of that fact they had to approach the government to ask for public moneys to help them build the line. When this matter was being kicked around in the newspapers last year I took the trouble to write a few letters to the heads of some of the municipalities in my province. As a matter of fact I also wrote to the provincial leaders of the various parties in my province with respect to the question and asked what their views were on it. I will not have time to go through all the correspondence, but I have one letter to which I wish to refer because I think it sets out rather clearly what the danger is.

I mentioned that the company claims it is having difficulty finding sufficient private capital to build the pipe line. I have a letter here from the mayor of the city of Portage la Prairie, Manitoba, dated March 7, 1955, in reply to a letter of mine setting out the proposal as it then was with respect to Trans-Canada Pipe Lines and asking how in his opinion this would affect the cities and towns in our province on a municipal level. He gave me some interesting information which I think the committee would like to hear. After referring to the way in which Trans-Canada Pipe Lines was set up he went on to say:

> A large proportion of the stock of this company is either owned or controlled by Osler, Hammond and Nanton.

This afternoon the minister named Mr. Osler as one of the directors of the company. Osler, Hammond and Nanton are a well known financial firm in the city of Winnipeg. The letter goes on:

> Recently this same firm has made application for the incorporation of a gas distributing holding company under the name of Inter City Gas and so far as I know they have a Manitoba charter or they have at least applied for same. The general idea is that this holding company would back or underwrite local distributors in such places as Neepawa, Brandon, Portage, etc., who in turn would form a company to be known as the Portage Gas Distribution Company or the Neepawa Gas Distributing Company. The parent organization, Inter City Gas, would hold stock in each of the local distribution companies. This appears to be leading into a type of monopoly by a financial concern.
>
> In consultation with Osler, Hammond, and Nanton through their own Mr. Osler we have been informed that there is no lack of funds for these local projects estimated to cost in Portage, for example, $750,000.

Then he goes on to say:

> I have begun to wonder just why there is such an abundance of money for the local projects and such a scarcity for the trans-Canada pipe line.

What does that indicate? It indicates that the same financial interest which has a substantial holding in Trans-Canada Pipe Lines, instead of putting its capital into the building of the main pipe line, is prepared to put a large amount of capital into a holding company in Winnipeg for the purpose of acquiring an interest in the various local distribution companies throughout the province of Manitoba. In other words, instead of using their capital, their financial structure and strength to build the proposed trans-Canada pipe line, which they claim they are having so much difficulty financing, they are already going out and making sure they will have tied up not only the main pipe line but the distribution system within the province of Manitoba. They are already in the process of forming a local monopoly before they have even completed their national monopoly.

Northern Ontario Pipe Line Corporation

It only goes to indicate that there is not a lack of funds as such for the construction of the pipe line itself, but that these companies who are interested in tying up the distribution of gas entirely are prepared to use the funds they have in order to go into the local cities, towns and communities to be served by the pipe line and make sure they have every city and town completely tied up through a system of subsidiaries or holding companies in order that they will have complete control of the distribution system.

That is a direct threat to the municipalities and to the provinces, because they go out to these various cities and towns, through their dummy companies, and offer them long-term contracts. They ask for franchises which in some cases might mean 20, 30 or even 50 years. They tie them up on a certain basis. They own the trans-Canada pipe line. They own the lateral lines. They own the local distribution systems through their dummy companies and they have then a complete stranglehold, a complete monopoly, on a public utility from the gas fields right to the kitchen range.

Is that the kind of thing that should have the assistance of this parliament, which is supposed to be here to guard the public interest and to see to it that the consumer of Canada gets a fair break with respect to the distribution of gas? Is that the kind of thing that this parliament should be assisting in promoting? It would be bad enough if this company were going out and doing this thing on its own hook, on its own capital, through its own financial structure. But it is twice as bad to have the Minister of Trade and Commerce get to his feet in this house and say that the public treasury of Canada is going to kick in anywhere up to $130 million in order to assist this monopoly to get a stranglehold upon the distribution of natural gas right across the four provinces that it is going to traverse.

That is the kind of thing the people of Canada should know about. They should realize that the public purse is being asked to aid and abet the setting up of a public monopoly not only in the transportation of gas from the Alberta gas fields to eastern Canada but also, through the interaction of these various financial interests that are part and parcel of Trans-Canada Pipe Lines Limited, assist them to obtain a monopolistic position in relation to the consumers in the various cities and towns in the prairie provinces. Of course the same thing would hold true in the province of Ontario. That is the serious thing we are opposing in this parliament. That is the reason we feel this legislation should be opposed and stopped, if it is at all possible.

The other day I asked a question of the Minister of Trade and Commerce with respect to the control of prices. I based my question on a statement that had been made by the attorney general of the province of Ontario to the effect that the province has no authority to control the price of gas except that which goes to the consumer; that so far as gas from the pipe line to the utility is concerned, it comes under federal control. On March 12 last I addressed a question to the Minister of Trade and Commerce. I will not bother reading the question or the whole answer. I shall just read the paragraph which has to do with the price. As reported at page 2019 of *Hansard* he said this:

> I notice in the press that the chairman of the board of transport commissioners was reported to have said that the board has no authority to regulate the price of gas in the pipe line even though the pipe line is interprovincial in character.

If what the minister says in that answer is correct, we have this situation. Neither the federal government, apparently, nor the provincial government have any power at the present time to regulate the price of gas from the pipe line to the distributors. That leaves the distributors—and of course, as a consequence, the consumers—completely at the mercy of this pipe-line monopoly. We are therefore opposing this legislation, because we feel that it is aiding and abetting the setting up of a gas monopoly in this country. We feel that it is a sort of trans-Canada give away. If this company requires a coat of arms, Mr. Chairman, to use as a trademark, I suggest it should give consideration to an octopus on a maple leaf shield with a background of stars and stripes.

The Chairman: Shall the resolution carry?

Mr. Johnston (Bow River): Mr. Chairman, may we call it ten o'clock?

Some hon. Members: No.

The Chairman: Has the hon. member unanimous consent to call it ten o'clock?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the estimates of the Department of Transport. I understand that Monday is private members' day.

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:

TRANS-CANADA PIPE LINES LIMITED

Question No. 213—**Mr. Diefenbaker:**

1. What companies or groups hold substantial sponsoring interests in Trans-Canada Pipe Lines Limited?
2. What are the respective interests in Trans-Canada Pipe Lines Limited held by (a) Hudson Bay Oil & Gas Company Limited; (b) Canadian Gulf Oil Company; (c) Canadian Delhi Oil Limited; (d) Tennessee Gas Transmission Company; (e) the Western Pipe Lines group?
3. What is the parent company or corporation of each of said companies?
4. Who are the member companies or individuals in said group?
5. What proportion of shares in each of said companies is held by a non-Canadian parent company, and what proportion by the Canadian public?

Answer by: **Mr. Howe (Port Arthur):**

The answers to questions 1, 2 and 4 are contained in the agreements among the sponsors of Trans-Canada Pipe Lines Limited, which were tabled on February 20.

Questions 3 and 5 relate to the distribution of the shares of the various participating companies. Information relating to these matters is not available from government records.

POST OFFICES, MONTREAL—BURGLARY ALARM AUTHORIZATION

Question No. 222—**Mr. Hamilton (Notre Dame de Grace):**

1. Has the federal government requested and received authorization from the police department of the city of Montreal for the installation in 10 postal stations in that city of burglar alarms which will be linked directly to the nearest police station?
2. If so, on what date was the request made, and on what date was the authorization received?

Answer by: **Mr. Lapointe:**

1 and 2. On December 27, 1955, the federal government requested authorization from the police department to connect a certain number of burglar alarms from postal stations directly to the nearest police station. On January 30, 1956, the requested authority was received.

IMPORTS OF U.S. AUTOMOBILES

Question No. 258—**Mr. Noseworthy:**

1. What is the total number and value of United States automobiles imported into Canada for the years, 1950 to 1955, inclusive?
2. By what firms were such automobiles manufactured, how many and of what value by each firm?

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3. What makes and how many of each make of car were imported?
4. What series and how many of each series of each make were imported during the above period?
5. What makes and series of cars imported were also manufactured in Canada during the above years?

Answer by: **Mr. Howe (Port Arthur):**

1. The total number and value of passenger automobiles (statistical classifications 5642, 5643 and 5644) imported into Canada from the United States during the years 1950 to 1955 were as follows:

Year	No.	Value
1950	3,154	$ 6,038,482
1951	14,050	29,142,623
1952	13,828	27,409,123
1953	23,501	47,754,941
1954	17,954	39,098,837
1955	27,392	58,886,587

2, 3, 4 and 5. Section 15 of the Statistics Act precludes the disclosure of information relating to private business.

NATIONAL REVENUE SURVEY—PURCHASE OF SHARES

Question No. 280—**Mr. Knowles:**

1. Has the Department of National Revenue made any survey or any investigation to determine to what extent taxpayers in Canada realize a monetary gain as a result of purchasing shares of various companies at a price below that prevailing on the stock market?
2. If not, will the department make such an investigation or survey?
3. Are such gains taxable?

Answer by: **Mr. McCann:**

1. No.

2. Such a survey is not presently being contemplated by the department.

3. The purchase of shares at a price below fair market value may give rise to taxable income under certain circumstances, e.g. where the purchaser is in the business of buying and selling shares or where he is a shareholder or employee of the vendor. Employees receiving benefits of this nature are entitled to special treatment under section 85A of the Income Tax Act.

DUMPING DUTIES

Question No. 284—**Mr. Lennard:**

1. What was the total amount applied as dumping duties on goods entering Canada, during the calendar year of 1955?
2. How much of this amount was applied against textile products: (a) hosiery and half hose; (b) underwear; (c) outerwear?

Answer by: **Mr. McCann:**

1. $1,180,513.

2. No records are kept of the amount of dumping duties collected by commodity.

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POST OFFICE REVENUE—HOUSEHOLDER MAIL

Question No. 302—**Mr. Rea:**

What revenue was obtained by the post office for householder mail (a) for the three years prior to April 2, 1951; (b) for the three years subsequent to April 2, 1951?

Answer by: **Mr. Lapointe:**

(a) 1948-49, $950,413.91; 1949-50, $1,310,-924.98; 1950-51, $1,615,472.39.

(b) 1951-52, $2,027,903.55; 1952-53, $2,143,-751.78; 1953-54, $2,576,259.24.

END OF VOLUME II